

Registered Office / Urse Plant
Finolex Industries Limited
Gat No. 399, Village Urse, Tal.-Maval,
Dist. Pune 410 506, Maharashtra, India
CIN L40108PN1981PLC024153

Tel +91 2114 237251 / 237253
Toll Free 1800 200 3466
Fax +91 2114 237252
Email investors@finolexind.com
Web finolexwater.com



FIL/SEC/DT/SEs/2018-19/83

13th October, 2018

The Manager – Listing Department National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	The Manager – Listing Department BSE Limited Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001
Scrip Code: FINPIPE	Scrip Code: 500940/FINOLEXIND

Sub : 37th Annual Report of the Company

Ref : Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred regulation, we enclose herewith 37th Annual Report of Finolex Industries Limited for the financial year 2017-18, being approved and adopted in the 37th Annual General Meeting held on Saturday, 29th September, 2018.

You are requested to kindly take the same on your records.

Thanking you,

Yours truly,

For **Finolex Industries Limited**

Devang Trivedi

Company Secretary & G.M.(Legal)

Encl: As above



**We need to go
out and look for
opportunities...**



**Finolex
Industries
Limited**

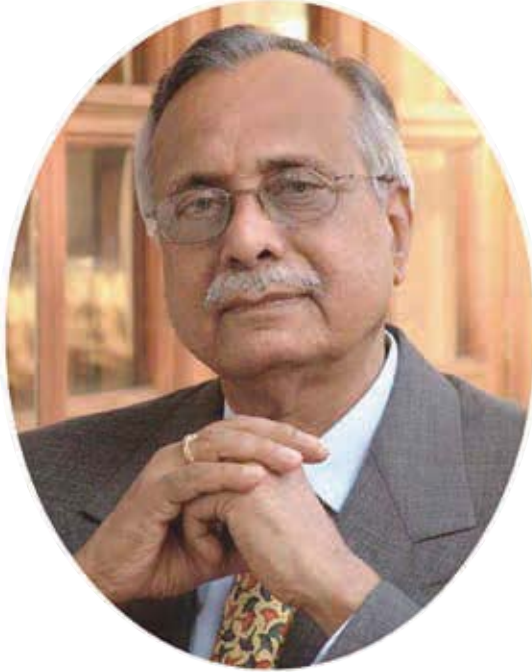
**37th ANNUAL REPORT
2017-18**

देहिनोऽस्मिन् यथा देहे कौमारं यौवनं जरा । तथा देहान्तरप्राप्तिर्धीरस्तत्र न मुह्यति ॥

भगवद् गीता अ. २.१३

Just as in the physical body of the embodied being is the process of childhood, youth and old age; similarly by transmigration from one body to another, the wise are never deluded.

Bhagwad Gita, Ch. 2.13



Shri. Pralhad P. Chhabria

(12.03.1930 - 05.05.2016)

**"I have not gone, just moved on.
Each morning we are born again to work hard &
live another beautiful journey..."**

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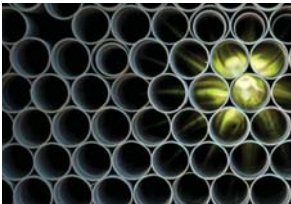
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Chairman's Message
PG NO **06**



Ensuring Value Creation with
Our Business Model
PG NO **08**

₹ **299** Cr.
Profit After Tax in 2017-18

₹ **2,738** Cr.
Revenues in 2017-18

₹ **24.06** per share
Earnings per Share in 2017-18

“We need to go out and look for opportunities to help those less fortunate than ourselves, even if that service demands sacrifice. It is an unselfish will to serve should be our moto.” - Anonymous

Corporate Information

Board of Directors

Mr. Prakash P. Chhabria
Executive Chairman

Mr. Sanjay K. Asher
Independent Director

Mr. Kanaiyalal N. Atmaramani
Independent Director

Mrs. Ritu P. Chhabria
*Non-Executive &
Non-Independent Director*

Mr. Dara N. Damania
Independent Director

Mr. Saurabh S. Dhanorkar
*Non-Executive &
Non-Independent Director
(w.e.f. August 11, 2017)*

Mr. Shrikrishna N. Inamdar
Independent Director

Mr. Prabhakar D. Karandikar
Independent Director

Mr. Sanjay S. Math
Managing Director

Dr. Sunil U. Pathak
Independent Director

Mr. Anil V. Whabi
Director – Finance

Mr. Devang B. Trivedi
*Company Secretary
(w.e.f. February 12, 2018)*

Audit Committee

Mr. Shrikrishna N. Inamdar
Chairman
Mr. Kanaiyalal N. Atmaramani
Mr. Dara N. Damania
Mr. Prabhakar D. Karandikar
Dr. Sunil U. Pathak
Mr. Saurabh S. Dhanorkar

Corporate Social Responsibility Committee

Mr. Prakash P. Chhabria
Chairman
Mrs. Ritu P. Chhabria
Mr. Sanjay S. Math
Dr. Sunil U. Pathak
Mr. Saurabh S. Dhanorkar

Stakeholders' Relationship Committee

Mr. Kanaiyalal N. Atmaramani
Chairman
Mr. Prakash P. Chhabria
Mr. Dara N. Damania
Mr. Shrikrishna N. Inamdar
Mr. Prabhakar D. Karandikar
Dr. Sunil U. Pathak
Mr. Saurabh S. Dhanorkar

Risk Management Committee

Mr. Prakash P. Chhabria
Chairman
Mr. Sanjay S. Math
Mr. Anil V. Whabi
Dr. Sunil U. Pathak
Mr. Saurabh S. Dhanorkar

Nomination and Remuneration Committee

Mr. Shrikrishna N. Inamdar
Chairman
Mr. Sanjay K. Asher
Mr. Kanaiyalal N. Atmaramani
Mr. Dara N. Damania
Mr. Prabhakar D. Karandikar
Dr. Sunil U. Pathak
Mr. Saurabh S. Dhanorkar

Auditors

M/s. P. G. Bhagwat
Chartered Accountants, Pune

Solicitors & Advocates

Crawford Bayley & Co., Mumbai

Registrar and Share Transfer Agent (w.e.f. 3rd August, 2018)

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot No. 31 & 32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032, India.
Phone No.: 040-67162222
Extn Nos. 1583 & 1562
Fax No.: 040-23420814, 23001153
Toll Free: 1800 3454 4001
Email ID: einward.ris@karvy.com
Website: www.karvycomputershare.com

Bankers

Bank of India
ICICI Bank Limited
Bank of Baroda
Citibank N.A.
Bank of Maharashtra
Corporation Bank

Corporate Office

D1/10, MIDC Chinchwad
Pune 411 019
Maharashtra, India
Tel.No.: 020-27408200/27408571
Fax No.: 020-27479000

Registered Office

Gat No.399, Village Urse Maval,
District Pune 410 506.
Maharashtra, India
Tel.: 02114-237251
Fax: 02114-237252

Corporate Identity No. (CIN): L40108PN1981PLC024153
Email:investors@finolexind.com
Website: www.finolexpipes.com

Finolex at a glance

We are the largest manufacturer of PVC pipes and one of the largest manufacturers of PVC resin in India.

Our journey at Finolex Industries Limited (FIL) started in 1981 as a pipe manufacturing company headquartered in Pune. We are the only PVC pipes company to have an integrated set up for production of PVC resin

with a captive power plant. We continue to focus on value-creation for the long-term with quality products. We conduct our business responsibly, leaving a positive impact on society and community within which we operate.

Our product portfolio

Agriculture



Agriculture Pipes & Fittings



Casing Pipes



Column Pipes



Solvent Cement & Lubricant

Non-agriculture



Plumbing Pipes & Fittings



FlowGuard Plus CPVC Pipes & Fittings



Sewerage Pipes



SWR Pipes & Fittings



Solvent Cement & Lubricant

Quick Facts

First

Indian PVC Pipes manufacturer
to receive ISO 9001:2015
certification

3

Number of manufacturing
facilities

CRISIL A1+ / IND A1+

Short term - CRISIL / India Ratings
as on 31st March 2018

CRISIL AA / IND AA

Long term - CRISIL / India Ratings
as on 31st March 2018

1288

Number of Employees
as on 31st March 2018

Zero

Long Term borrowing
as on 31st March 2018

8187

Market Capitalization as on
31st March 2018 (in ₹ Crore)

Chairman's Message



We are looking towards the future, a future which is full of growth and opportunity for all...

Dear Shareholders,

I am happy to present before you the 37th Annual Report of the Company.

Your Company's performance during the year under review focused on volume growth. The pipes and fittings volume increased by 20.4% y-o-y basis, resulting in a 5.2% increase in total revenues to ₹ 2,738 Crore for 2017-18 against ₹ 2,602 Crore in the previous year. However, volatile raw material prices and increased operational costs

did impact the profitability and margins. Our EBITDA stood at ₹ 484 Crore against ₹ 563 Crore, while PAT was ₹ 299 Crore against ₹ 352 Crore a decrease of 15.2%

Our association with Lubrizol Corporation, USA for CPVC pipes and fittings increased our visibility in the plumbing and sanitation segment. Finolex FlowGuard Plus CPVC Pipes

and Fittings recorded sales of ₹ 147 Crore, contributing 5.4% to the total revenue during the year. Our overall tonnage for the CPVC segment increased by 42% to 5,878 tons. We continue to conduct workshops and training programs pan India for plumbers and other professionals on a regular basis to enhance our product and brand awareness.

We are looking towards the future, a future which is full of growth and opportunity for all - our country, business partners, customers, employees, society and your Company. With our increasing product portfolio, expanding dealer network and a substantial sales force out on the field, we are on track to offer an even better service to our customers. To ensure this, within the next few weeks, we will have implemented SAP S/4 HANA which will transform the Company from its traditional manufacturing background to a customer-centric business. SAP S/4 HANA will be the backbone of FIL's future IT landscape. Your company will attain operational excellence across all areas of the value chain with focus on the supply chain and sales.

We are poised to embrace new opportunities. Our team continues to work relentlessly to develop new products and increase market share. We are expanding our capacity across

our three plants - Masar, Pune and Ratnagiri, with investments of ₹ 250 Crore in FY18 and FY19.

As a responsible corporate we believe in spreading hope amongst those who feel they don't have the right to be hopeful. Having joined hands with Mukul Madhav Foundation, our CSR partner we have been able to touch lives in the following sectors.

- Healthcare
- Education
- Social and Community Welfare
- Sanitation
- Water Conservation

Under each sector there are credible projects which are primarily focused on reaching out to people in rural India. We consciously increase our CSR budget year on year there by enabling and assisting our CSR partner to undertake more projects and reach out to many more worthy causes.

I am delighted to inform you that your director and Managing Trustee of Mukul Madhav Foundation (MMF) Mrs Ritu Chhabria, was honoured with a prestigious 'Global Award' by the Global Sindhi Council, presented by Shri Ch. Vidyasagar Rao, Hon'ble Governor of Maharashtra "for

her eminent innovative and historic contribution in the field of healthcare, social welfare and education."

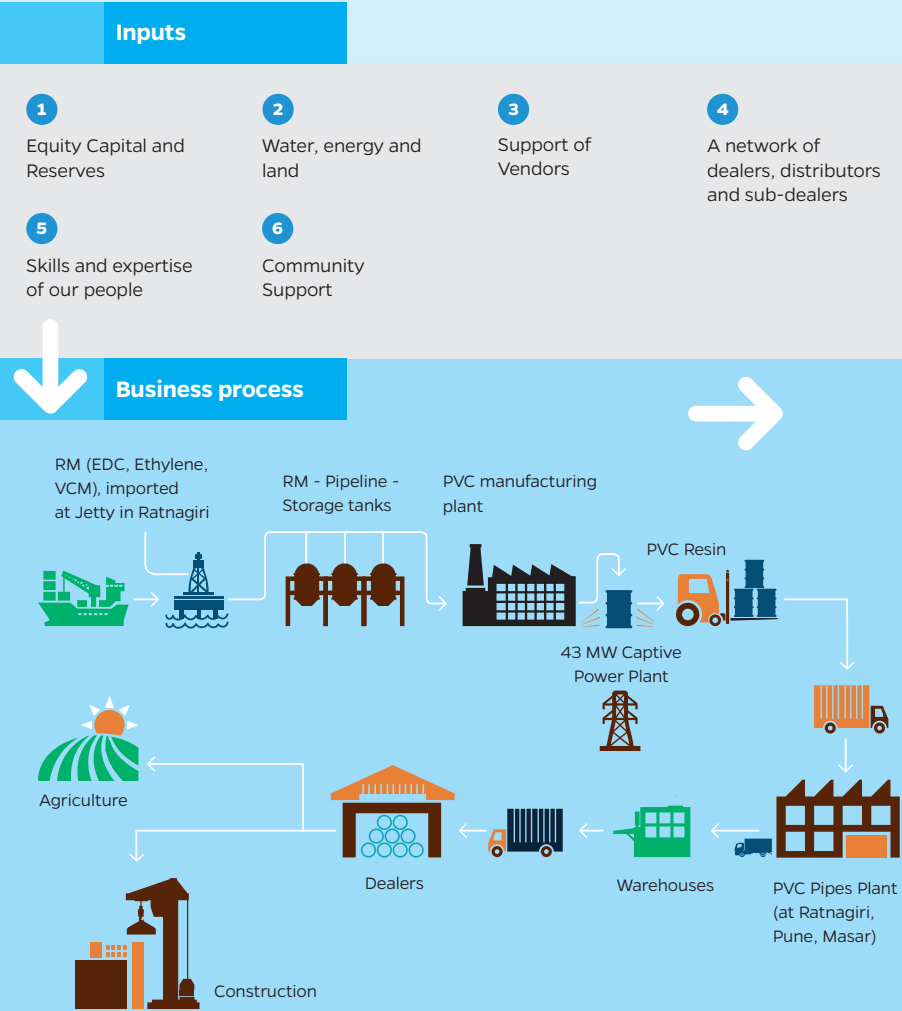
A strong pillar to our sustainable growth is the commitment and talent of the employees of your Company. We undertook several activities for training to reinforce the occupational safety and health conditions of the employees at our facilities.

The Board remains firm in building the blocks of growth on a foundation of sound governance. I would like to express my appreciation to every Board member for their invaluable contribution. With the continued support of our shareholders, customers, dealers, vendors and employees, I look forward to another exciting year of growth and success.

Regards

Prakash P. Chhabria
Executive Chairman

Ensuring Value Creation with Our Business Model



Raw Material (EDC, Ethylene, VCM), Imported at jetty

Raw Material stored in storage tanks

Manufacturing of PVC resin

Manufacturing of PVC Pipes

Distribution through network of dealers, warehouses and retail touch points that is used to ensure faster delivery

Outputs

143*

Dividend Paid
(in ₹ crore)

2,738

Total Revenue, excluding
excise duties & other
income (in ₹ Crore)

262,844

Total production of PVC
Resin (in MT)

260,387

Total production of PVC
Pipes & Fittings (in MT)

116

Employee benefit
expense (in ₹ crore)

748

Taxes and duties paid
to the Government
(in ₹ crore)

*excluding dividend
distribution tax

Our strategy

Strategic framework

- Expanding Footprint
- Cash and carry model
- Branding
- Capacity Expansion

Our beneficiaries

Stakeholders

- Shareholders
- Customers
- Vendors
- Employees
- Community

Our reach

Distribution Network

- Dealers
- Warehouses
- Retail Outlets

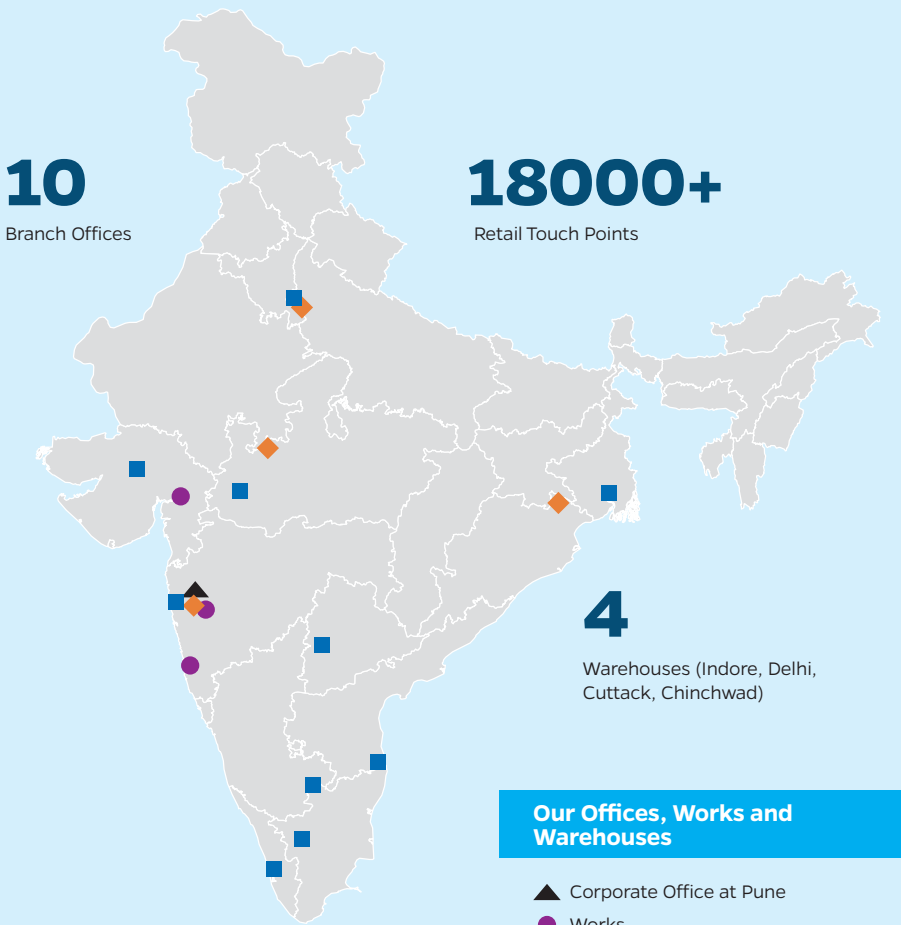
Solidifying a Stronger Presence

10

Branch Offices

18000+

Retail Touch Points



850+

Dealers present in India

4

Warehouses (Indore, Delhi, Cuttack, Chinchwad)

Our Offices, Works and Warehouses

- ▲ Corporate Office at Pune
- Works
- ◆ Warehouse
- Branch Office

Key Achievements that made us Proud



Finolex Industries Limited and Mukul Madhav Foundation were awarded with the ‘Best CSR Integrated Business under National Excellence for CSR and Sustainability’ at the ‘National CSR Leadership Congress & Awards’, which was held in Bengaluru, Karnataka during September 2017.



We were awarded with the Best CSR Practice and Sustainability Award by ET Now (Feb 2018).

Branding Strategy to stay at Forefront

Branding Activities during the year

QUARTER 1

We conducted our branding exercise through

- Jagannath Rath Yatra in Puri, Odisha
- Pandharpur Waari in Maharashtra



QUARTER 2

- Participated in Agri Asia exhibition, Ahmedabad, Gujarat
- Participated in E-Transact- ET Acetech Mumbai Connect, 2017
- Participated in Agri Indtex Exhibition in Coimbatore, Tamil Nadu
- Did television branding for India vs Australia Series and Champions Trophy



QUARTER 3

- We were one of the brand partners with blockbuster movie, 'Golmaal Again', which was released during Diwali 2017
- We participated in various exhibitions such as Krishi Mela in Surat, Gujarat, My Build Tech in Mysore, Karnataka, KISAN 2017 Moshi in Pune, Maharashtra and Build Expo Erode, Tamil Nadu.



QUARTER 4

- We were the Presenting Sponsor at NDTV Property Awards with exclusive branding rights for on-ground, outdoor, television and social media.
- We were the special event partners for Arijit Singh concerts that took place in 5 metro cities across India.
- We participated in Constro 2018 International Fair at Agricultural Ground in Pune, Maharashtra.



Keeping up with our Corporate Social Responsibility

People across the country face various challenges - scarcity of resources, insufficient health care facilities, and poor sanitation. Since our inception, we have strived to alleviate these circumstances by developing self-sufficient communities in and around our plants. Our five areas of focus are: Healthcare, Education, Social and Community Welfare, Sanitation and Water Conservation.

“We need to go out and look for opportunities to help those less fortunate than ourselves, even if that service demands sacrifice. It is an unselfish will to serve should be our moto.”
- Anonymous

Healthcare

On our behalf, Mukul Madhav Foundation (MMF) provides financial assistance to patients, organizes healthcare camps, supports healthcare institutions and promotes better healthcare & hygiene practices. In this direction, MMF has associated itself with various hospitals like K.E.M., Ruby Hall Clinic, Sassoon General Hospital, Bharati Dental and H V Desai Eye Hospital in Pune and Parkar Hospital in Ratnagiri.



Faculty from Maharashtra Institute of Mental Health, Sassoon General Hospital, Pune ▲

11793

Students benefited from health camps set up in and around Pune and Ratnagiri

540

Women benefited through subsidized mammography and colposcopy tests at Ratnagiri

50

Children were provided with free paediatric cataract surgeries

10

Cochlear implant surgeries

₹15 lakh

Spent to fund complex medical treatment of the underprivileged

Various projects that we undertook under Healthcare:



Equipment at the NICU unit

Donation to Sassoon General Hospital

In April 2017, we donated a 59 bed state-of-the-art Neonatal Intensive Care Unit (NICU) to the hospital. It will cater to babies in and around Pune. We can already see the difference the NICU has made, by a reduction in the infant mortality rate in the area. We also provided the hospital with glucometers and strips, ROP machines for eye check-ups and OAE machines for ear check-ups. To mark the first anniversary of the inauguration of the NICU, we donated a Cold light, an Air Oxygen Blender and a Pulse Oximeter. In March 2018, we donated an Endoscopy Unit and built 2 waiting areas to cater to patient's relatives and visitors.

Mid-Wifery Training

MMF used backward integration to help determine the cause of Cerebral Palsy (CP). This became a turning point, and saw them create a module which would train the Accredited Social Health Activist (ASHA) workers who are appointed by the Government, and Auxiliary Nurse Midwifery (ANM) nurses in areas of pregnancy and labour. We provided training and awarded certificates to 582 ASHA and ANM nurses. These 582 nurses are associated with 12 Primary Health Care (PHC) Centres in the district of Satara. Owing to the success of this training it is now being taken to 8 new PHC centres, training a further 280 ASHA and ANM nurses.



Graduation Ceremony of ASHA and ANM Nurses with Mrs. Punita Gurav, Education Officer, ZP Satara, ASHA Coordinator and faculty from Symbiosis College of Nursing

Concern for Mental Health, UK

Concern for Mental Health, UK, is a registered charity who we collaborated with to offer training in mental health using GAP protocols. Our target was primary healthcare physicians, psychiatrists, and other mental health professionals. The training which is conducted in Pune, is now in its fourth year. This year the UK team of Concern for Mental Health wanted to work in rural Satara. In order to accomplish this MMF in collaboration with faculty from the Institute of Mental Health, Sassoon

General Hospital organized trainings for Primary Zilla Parishad school teachers in the district of Satara and Wai. The programme was developed so that the mental health of the school children could be assessed. The programme helps to improve the skills of the teachers, so that they can better identify children with special needs. After the training, the teachers went back to their respective schools and observed their students. They identified 42 students, out of which 32 went to the civil hospital in Satara for IQ tests.



Faculty from Concern for Mental Health, UK

Mission Cerebral Palsy (CP)

We completed 2 years of Mission Cerebral Palsy (CP) in November 2017. To mark this occasion we organized an assessment camp for patients in the district of Satara. We provided physiotherapists, speech therapists and occupational therapists. For those young patients who required further treatment, we provided it in the form

of orthotics and surgery at Sancheti Hospital. MMF regularly conducts these camps at 6 Finolex Rehab centres, namely: Satara, Wai, Panchgani, Patan, Ratnagiri and Chiplun. The Ratnagiri and Chiplun centres were created and inaugurated in 2017-18. Additionally a special monthly neurophysiotherapy camp is being conducted for 50 children on a regular basis at the Ratnagiri Rehab Centre.



Mrs. Ritu Prakash Chhabria at the Assessment Camp at Satara



Inauguration of NICU's at Rajiv Gandhi Hospital and Sonawane Hospital.

NICU's at PMC Hospitals

On 5th May 2018 we in association with MMF donated two, 12 bedded NICUs at Rajiv Gandhi Hospital & Sonawane Hospital, which are run by the Pune Municipal Corporation (PMC). We inaugurated them in loving memory of our founder Late Shri Prahlad Chhabria and Smt. Mohini Chhabria. These units are equipped with state-of-the-art technology to facilitate specialized care

for infants who come from the less fortunate sections of our society. On November 14, 2017 on the occasion of Children's Day, MMF commenced a specialized 4 month programme for 54 nurses and 10 doctors. These professionals were trained in how to manage and conduct themselves and the patients. These training programmes took place at Sassoon, Bharti and Deenanath Hospitals.

Education

We, in association with MMF, support education at different levels. We assist schools by providing infrastructure, water facilities, toilets, extra-curricular activities, books,

sports equipment and provide English teachers in and around our factories in Maharashtra and Gujarat. Toilets have been constructed in schools to reduce the number of girl drop

outs. The concept of e-learning was promoted by donating tablet devices in schools in Panchgani and Mahabaleshwar, in collaboration with Poona North Rotary Charitable Trust.

₹ **27.30** lakh

Incurred to provide scholarships to 139 children and fellowship expenses of resident doctors

₹ **17.55** lakh

Spent to provide training to teachers to enhance their skills

₹ **11.21** lakh

Incurred to improve the infrastructure of Municipal and Zilla Parishad schools



Science experiments in school

Social and Community Welfare

In collaboration with MMF we provide groceries on a monthly basis to 16 institutions in and around Pune. In addition to this, MMF, established two Skill Development Centres at Masar, Gujarat. Here training is provided at subsidized fees in Computer literacy and Tailoring. Recently a centre was opened in Ratnagiri, to train local women in tailoring. Their products were sold at the Yellow Ribbon NGO Fair organized by the Ishanya Foundation, Pune.



Inauguration of waiting area at Sassoon General Hospital, Pune

Sawli Day Care Centre

The Sawli Day Care Centre was inaugurated on 24th November 2017 to provide services to citizens with special needs, age 7 and upwards. We donated and equipped the centre with a water therapy facility, a physiotherapy ward and a ward for special needs patients.



Sawli Day Care Centre - Physiotherapy ward donated

₹ 13 lakh

Spent on groceries across 16 institutions

500

Helmets donated to the Ahmednagar police force

Street Lights at Gametha

Gametha is a village in Masar which has been illuminated with LED street lights. This was after an appeal from the village Sarpanch.



Street lights at Gametha, Gujarat

Sanitation

We received an appeal from Kherwadi Social Welfare Association to provide toilets in Sonale, a tribal village in the district of Palghar. In January 2018, MMF, completed the construction of 50 toilets,

equipped with solar lighting for individual homes. The village of Sonale has many residents who come from low income groups. In order to encourage them to give back to society, we collected ₹ 2050

per household. This money will be donated to the Sainik board managed by the Central Government for the welfare of widows and families of soldiers who lost their lives in war.

₹ **60.68** lakh

Incurred towards building toilet blocks in Ratnagiri and Masar

9

Toilet blocks were built in Ratnagiri and Masar



Inauguration of Community toilets at Sonale, a tribal village in the district of Palghar, Maharashtra

Water Conservation

We undertook water conservation projects in Rede in Solapur, Sordi in Sangli, Kalamwadi and Kondbavi in Solapur and Katgun in the district of Satara. Our projects cost a total of ₹ 17 lakh and benefited around 7684 households. We constructed a Cement Nala Band (CNB) and repaired two CNB units, we also cleaned the upstream river that channels water to these CNBs. Our water conservation measures have not only benefited 12300 households individually but have also increased the overall water level of nearby places, thus helping to restore the balance of nature. We have also established rain water harvesting systems

at Punyadham Ashram in Pune, Shree Sagar Vidyalaya and Chitral Primary School in Masar, Gujarat. Our latest water project is at Wadgaon Anand, Pune. In the past, the village was dependent on water tankers. This was naturally a huge inconvenience to the villagers. Therefore we decided to lay 2.5 km of pipes from the canal to fill a reservoir, which we named 'Amrutkumbha'. This project has helped the farmers by providing them with sufficient water for their livelihood.

₹ **33.77** lakh

Spent towards water conservation



Inauguration of water project at Wadgaon Anand, Pune in the presence of then Collector, Pune Mr. Saurabh Rao, Mrs. Ritu Prakash Chhabria, Managing Trustee, Mukul Madhav Foundation accompanied by Mr. B R Mehta, Vice President Finolex Industries

Board of Directors



- 1

Mr. Kanaiyalal N. Atmaramani
Independent Director
- 2

Mr. Dara N. Damania
Independent Director
- 3

Mr. Shrikrishna N. Inamdar
Independent Director
- 4

Dr. Sunil U. Pathak
Independent Director
- 5

Mr. Prabhakar D. Karandikar
Independent Director
- 6

Mr. Saurabh S. Dhanorkar
*Non-Executive,
Non-Independent Director*
- 7

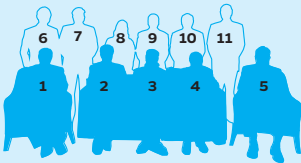
Mr. Sanjay S. Math
Managing Director
- 8

Mrs. Ritu P. Chhabria
*Non-Executive,
Non-Independent Director*
- 9

Mr. Prakash P. Chhabria
Executive Chairman
- 10

Mr. Sanjay K. Asher
Independent Director
- 11

Mr. Anil V. Whabi
*Director – Finance &
Chief Financial Officer*



Management Discussion and Analysis

Indian economy

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy recorded a somewhat slow down with a GDP of 6.7% in 2017-18. Even with this slowdown for 2017-18, GDP growth has averaged 7.3% for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and a notable reduction in the fiscal deficit to GDP ratio, it makes it all the more creditable.

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Improvement in private consumption, increase in capacity utilization and a revival in the private capex cycle will be driving higher growth in 2018-19.

The newly-published 2017 edition of the World Economic Forum's Global Competitiveness Report indicates that India now ranks an impressive 23rd in the Global Competitiveness Index for enhanced public spending efficiency. The newly-introduced GST and E-way Bill are expected to boost efficiency and growth.

Industry structure, developments and outlook

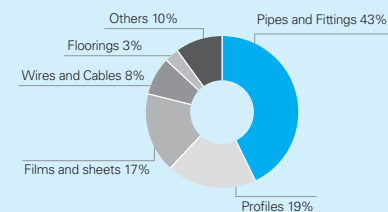
Finolex has three main business segments:

- PVC resin (Revenue - ₹ 1,778 Crore including captive consumption),
- Pipes and fittings (Revenue - ₹ 2,329 Crore),
- Power (Revenue - ₹ 142 Crore captive consumption).

PVC Resin

PVC Resin is a key ingredient required for manufacturing pipes. The applications of PVC Resin include pipes & fittings cable insulation, flooring, blister packaging, window profiling, etc. The versatile nature of PVC Resin makes it suitable for use in different places.

Application breakup of PVC - Global



Source: FICCI

The demand for PVC in India is huge and has been increasing at an annual rate of 7.25% from fiscal year 2011-12 to 2016-17, whereas production trails demand.

In India, the PVC resin market has largely been dominated by imports as domestic capacity is only 45% of the demand.

About 73 per cent of the total demand for PVC in India comes from pipes segment which are widely used in the agriculture and construction sector. The remaining 27 percent of demand comes from other applications where PVC is used to manufacture, profiles, insulation etc.

(Source: FICCI)

India's PVC market is grossly under-penetrated, with a per capita consumption at about 2.2 kg. which is ~3-4x higher in countries such as Brazil, Malaysia and

Thailand. With rapid urbanization and rising farm irrigation spends, the market can grow at 12-15% CAGR to ~₹ 35,000 Crore over the next 3 years.

(Source: industryarc.com)

Per capita PVC consumption

Countries	Per capita consumption (Kg)
India	2.2
Brazil	5.6
Malaysia	7.6
Thailand	8.8
China	10.3
USA	12.7

(Source: HDFC securities)

The Company has set up a PVC resin plant in Ratnagiri in technical collaboration with Uhde GmbH, Germany with Hoechst technology.

Highlights, FY2017-18

272,000

Manufacturing Capacity (in MT)

262,844

Production of PVC resin (in MT)

191,455

Sales of PVC resin (for captive consumption in MT)

67,312

Sales of PVC resin (to external market; in MT)

PVC Pipes and Fittings

PVC pipes play an important role in managing the water resources of the country. PVC pipes are used for water transportation, water distribution and waste water management.

The adoption of PVC pipes and fittings by the end user is growing rapidly. However, market penetration is still very low in comparison to other countries, like the USA and China among others. This indicates a huge market potential for the domestic market.

The PVC pipes and fittings market is expected to grow at a CAGR of 11.7% by 2020 and is expected to be valued at ₹ 33,000 Crore as compared to ₹ 18,000 Crore in 2015. Government initiatives like doubling farm income by 2020, Pradhan Mantri Krishi Sinchai Yojana (Prime Minister Agriculture Irrigation Scheme), Swachh Bharat Mission (Clean India Initiative), the Smart City Programme, Pradhan Mantri Awas Yojana (Prime Minister Housing Scheme) etc. as well as a demand from agri and non-agri segments will increase demand in PVC pipe segment.

(Source: icis.com)

FIL is the largest PVC pipes manufacturer in India. The Company's PVC pipes division produced 260,387 MT spread over its three ultra-modern plants at Pune, Ratnagiri and Masar. Over the years, the Company has established a strong brand saliency in PVC pipes. Moreover, the Company operates a cash and carry model, which is a reflection of its strong brand equity.

The Company has been delivering superior quality PVC-U and CPVC pipes and fittings to its customers present across different sectors.

Agriculture Segment

Agriculture Pipes and Fittings

- **PVC-U Selfit Pipes-** These are Solvent Cement Joint Pipes, where one end is self-socketed and other is plain. It fits properly without the use of couplers, and the strong solvent cement joint is permanent and trouble free.
- **PVC-U Ringfit Pipes-** FIL was the first Company to introduce PVC-U Ringfit Pipes in India. These pipes are designed especially for high diameter requirements, as it eliminates the need for solvent cement.

Casing Pipes

These are manufactured using special PVC compounds that have extra toughness. The anti-corrosive property of PVC protects the casing and screen from chemicals found in soil and water. Casing Pipes are easy to install as the threaded ends ensure that the pipes can be screwed onto each other without the use of cement or adhesives.

Column Pipes

PVC-U column pipes are chemical and corrosion resistant. The unique design allows the pipes to withstand shocks, jerks, and pressure at full capacity. They are available in various types and sizes ranging from 25mm to 100mm.

Non Agriculture Segment

Sewerage Pipes

The Company launched its SDR series of Sewerage Pipes in 2010. These pipes have been specially designed to handle underground non-pressure applications like gravity drainage, sewer flow for transferring of oil, waste discharge, surface water, and industrial effluents. These pipes are self-socketed with the help of solvent cement (cold welding).

SWR Pipes and Fittings

The Company has designed these pipes to be suitable for soil, waste and rain water management. These are lightweight and easy to install and are manufactured in accordance to international quality standards and specifications. SWR Pipes and Fittings can be used for rain water harvesting and transportation in residential and commercial buildings, removal of gas and odours in domestic plumbing, non-pressure industrial drainage, etc.

FlowGuard Plus CPVC Pipes and Fittings

The Company's association with Lubrizol, USA from 2017, provides the Company with the technological setup to manufacture and market FlowGuard Plus CPVC pipes and fittings in India. FlowGuard technology enabled pipes are ideal for the continuous flow of hot and cold potable water. These pipes are used in the following areas: manufacturing plants, hospitals, educational institutions, swimming pools, hotels and resorts, corporate houses, etc. The share of FlowGuard plus CPVC Pipes in total revenue was 5.4% in 2017-18.

Features of FlowGuard Plus pipes:

- Lubrizol's assurance on product uniformity further assures the Company's customers about the quality of the product
- The pipes are UV stabilized and designed for shelf life for over 50 years
- FlowGuard plus Pipes have high impact strength, along with an excellent fire safety profile
- These pipes are manufactured using lead free and environment friendly compounds

Highlights, FY2017-18

330,000

Manufacturing capacity of Pipes and Fittings (in MT)

252,036

Quantity of Pipes and Fittings sold in 2017-18 (in MT)

~1500

Number of SKUs as on 31st March 2018

Power

The installed capacity of power stations in India stood at 344 GW as on 31st March 2018, out of this 64.8% is accounted by the thermal power stations. There was an increase of 51.7% in transmission capacity from 5.3 lakh MVA in March 2014 to 8.04 lakh MVA in December 2017. India also experienced a jump in the World Bank's Ease of Getting Electricity Index from 99 in 2015 to 26 in 2017.

(Source: Ministry of Power)

The Company has set up a 43 MW captive power plant at Ratnagiri. The plant provides uninterrupted high quality power to its production facility.

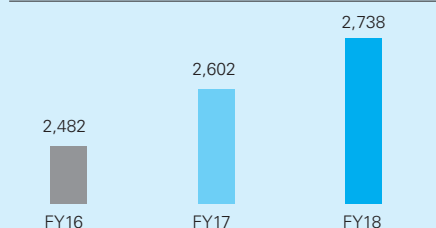
Highlights, FY2017-18

- During the year, the plant generated 208,747 MWh.
- The revenues from the segment stood at ₹ 142.31 crore.

Finance review

Revenue

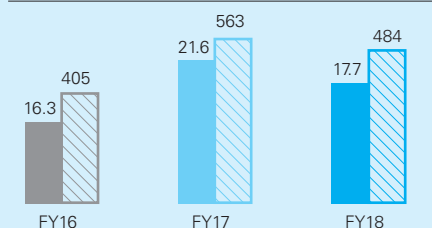
(in ₹ Crore)



2,738

Revenue in 2017-18 (in ₹ crore)
excluding excise duty & other income

EBITDA Margin/EBITDA



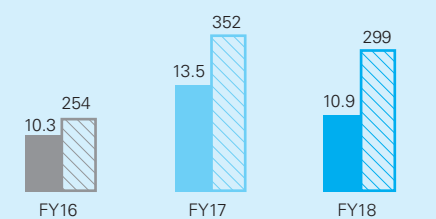
17.7

EBITDA Margin in
2017-18 (in %)

484

EBITDA in 2017-18 (in ₹ crore)
excluding other income

PAT Margin / PAT



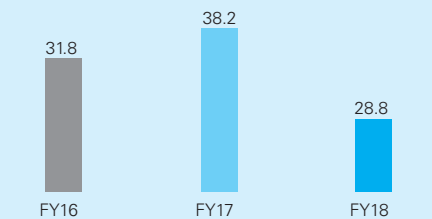
10.9

Net Profit Margin
in 2017-18 (in %)

299

Net Profit in 2017-18
(in ₹ crore)

ROCE

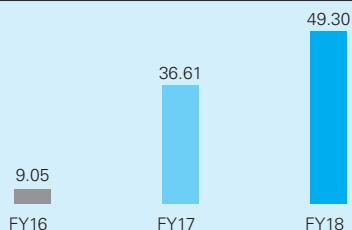


28.8

ROCE in 2017-18 (in %)

ROCE = EBIT (excluding other income) / Operating
Capital Employed

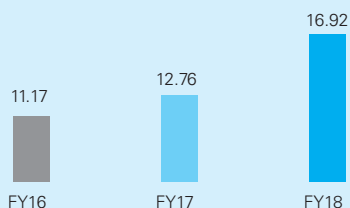
Interest Coverage Ratio



49.30

Interest Coverage Ratio in 2017-18

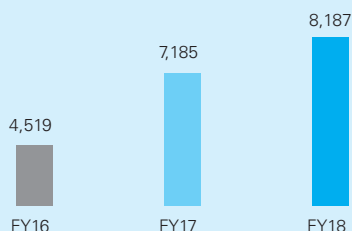
EV/EBITDA



16.92

EV/EBITDA in 2017-18 (times)

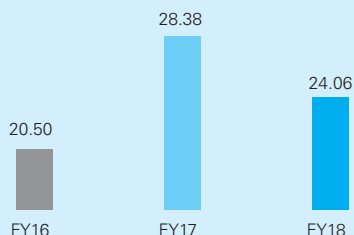
Market Capitalisation



8,187

Market Capitalisation as on
31st March, 2018 (in ₹ crore)

EPS



24.06

EPS in 2017-18 (in ₹ per share)

Risk management

Industry risk: A slowdown in demand for pipes might affect the business of your Company.

Mitigation strategy: Due to a large unmet requirement in the irrigation and housing sector for pipes, the Company does not foresee a possibility of a slowdown. Also, about 70% of the Company's pipes business comes from the agriculture sector. Various initiatives like Pradhan Mantri Krishi Sinchai

Yojana (Prime Minister Agriculture Irrigation Scheme) and similar schemes are amongst other reasons for a sectoral payout. In the housing sector, there is tremendous focus on the Government's initiatives like 'Housing for All.' The Company is thus poised to capitalize on these opportunities.

Competition risk: An Increase in competition could affect the market share of the Company.

Mitigation strategy: The Company is a prominent player in the segment. The Company has always had focus on quality of its products and has strong distribution network across India. This allows your Company to cater to a large number of customers and ensures FIL to retain its market leadership.

Price risk: A rise in the price of raw material might result in the fall of profitability.

Mitigation strategy: The price of PVC Resin follows the commodity cycle. The main raw material for PVC Resin is ethylene dichloride (EDC), ethylene and vinyl chloride monomer. Currently, there is no shortage of EDC in the world. Despite the price of oil going up, there has not been any significant increase in the EDC prices.

Debt risk: Non-service of debt might severely impact the Company's business.

Mitigation strategy: Long term debt as at March 31, 2018 was NIL. Also the Company's interest coverage ratio in FY2017-18 stood at 49x making the effect of risk negligible.

Transparency in sharing information

Transparency refers to sharing information and acting in an open manner. Processes, instructions and information are directly accessible to those concerned, and enough information is provided to understand and monitor them. The Company believes in total transparency in sharing information about its business operations with all its stakeholders. The Company strives to provide the maximum possible information in the Management Discussion and Analysis which is a part of the Annual Report.

Internal Control Systems

The Company has put in place adequate internal control procedures, proportionate to the nature of business and size of operations for the smooth conduct of business. Internal audits are conducted at regular intervals at all the plants and cover key areas of operations. These audits are independent, objective and responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee, consisting of five independent non-executive directors, monitors the performance of the internal audits. This is conducted on a periodical basis through audit plans, audit findings and the promptness of issue resolution through follow-ups.

Internal Financial Control

The Companies Act, 2013 has made significant changes in financial reporting requirements to bring it in line with international practices. The key requirements are entity level controls and financial reporting prevention controls. The Company has in place all the required controls and the framework to identify key processes and evaluate efficiency of internal financial controls.

Human Resources

The Company continued to enjoy cordial and harmonious industrial relations. The human resources function reinforced its commitment towards well-being and development of employees through revamp and launch of several people processes such as performance and potential appraisals, talent management, learning

and development initiatives for employees at every level and leadership development efforts. The total number of employees as on March 31, 2018 stands at 1288.

Cautionary statement

In this Annual Report, we may have disclosed information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects',

'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any statements, whether as a result of new information, future events or otherwise except as may be required by law.

Board of Directors' Report

To the Members,

Your directors have pleasure in presenting the Thirty- seventh annual report together with the audited financial statements (both standalone and consolidated) for the financial year ended 31st March, 2018.

State of the Company's affairs:

Financial Results

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Profit before depreciation & finance charges	50,925.18	58,739.23	52,467.01	59,555.78
Less: Finance charges	981.65	1,538.19	981.65	1,538.19
Profit before depreciation and taxation	49,943.53	57,201.04	51,485.36	58,017.59
Less: i. Depreciation	6,060.46	5,504.62	6,060.46	5,504.62
ii. Provision for taxation	14,028.59	16,478.48	14,791.54	17,028.24
Profit after depreciation and taxation	29,854.48	35,217.95	30,633.36	35,484.73
Add/(Less) :				
i. Retained earnings at the beginning of the year	108,643.55	88,445.19	110,981.31	90,510.41
ii. Remeasurement of defined benefit plans and income tax effect	(86.99)	(71.66)	(86.99)	(71.66)
iii. Share of Other Comprehensive Income (OCI) of Associate for the year		-	0.65	5.75
iv. Dividend	(14,270.97)	(12,409.54)	(14,270.97)	(12,409.54)
v. Tax on dividend	(2,905.44)	(2,526.29)	(2,966.77)	(2,526.29)
vi. Excess dividend tax reversed		(12.10)		(12.10)
vii. Transfer to General Reserve	-	-	-	-
Retained earnings at the end of the year	121,234.62	108,643.55	124,290.98	110,981.31
Earning per equity share:				
Basic & Diluted (₹/share)	24.06	28.38	24.69	28.59

Operations

The operational performance is summarized below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations (see note 1)	283,140.60	298,763.70	283,140.60	298,763.70
Other Income	2,532.40	2,432.49	2,439.70	2,316.62
Total Income	285,673.00	301,197.51	285,580.30	301,080.32
Profit before tax	43,883.07	51,696.42	43,790.37	51,580.55
Share of profit of associate before tax	-	-	1,634.53	932.42
Profit after tax	29,854.48	35,217.95	30,633.36	35,484.73

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
PVC Resin				
Production – in MTs	262,844	251,710	262,844	251,710
Sale – in MTs (excluding inter divisional):	67,312	87,235	67,312	87,235
Sale – in ₹ Lakh (excluding inter divisional):	50,198.70	77,076.34	50,198.70	77,076.34
PVC Pipes and Fittings				
Production – in MTs	260,387	207,761	260,387	207,761
Sale – in MTs	252,036	209,419	252,036	209,419
Sale – in ₹ Lakh	232,883.72	221,687.30	232,883.72	221,687.30
Power				
Production – in MWh (captive consumption)	208,747	211,502	208,747	211,502

Note 1: Revenue from operations includes excise duty collected for previous Quarters up to Quarter ended 30 June 2017 as per guidelines prescribed in Ind As 18 "Revenue". From 1st July 2017, as per the said guidelines, Goods and Service Tax (GST) charged is excluded from Revenue from operation and to that extent the revenues are not comparable. Had the previously reported revenue shown net of excise duty, comparative revenue of the Company would have been as follows:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations (excluding excise duty)	273,778.80	260,236.42	273,778.80	260,236.42

During the financial year, 40,000 MT capacity was added to PVC pipes & fittings and with this addition, the total capacity of PVC pipes and fittings stands at 330,000 MT p.a. The sales volume for PVC pipes & fittings was 252,036 MT for the financial year ended 31st March, 2018 as against 2,09,419 MT for the financial year ended 31st March, 2017. Total standalone income was at ₹ 285,673.00 lakh for financial year ended 31st March, 2018 against ₹ 3,01,197.51 lakh for the financial year ended 31st March, 2017. Profit after tax was at ₹ 29,854.48 lakhs for the financial year ended 31st March, 2018 as against ₹ 35,217.95 lakh for the financial year ended 31st March, 2017.

Dividend

Your directors have recommended dividend on equity shares @ 100% (₹ 10 per equity share). The dividend on equity shares including corporate dividend tax, if approved by the Members, will absorb ₹ 14960.36 lakh.

Transfer to Reserves

During the year, amount transferred to General Reserve was ₹ Nil (previous year ₹

Nil). Thus, the total comprehensive Income for the year of ₹ 29,767.49 lakh was transferred to Reserves and Surplus of Balance Sheet.

Deposits

The Company had no unpaid /unclaimed deposit(s) as on 31st March, 2018.

During the year, the Company has not accepted any deposits, described under Chapter V of the Companies Act, 2013.

Management discussion and analysis

Pursuant to Regulation 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a management discussion and analysis report forms a part of this annual report.

Consolidation of financial statements

As at the end of the financial year, your Company does not have any subsidiary company. However, it does have two associate companies namely Finolex Plasson Industries Private Limited and Pawas Port Limited.

The consolidated financial statements as prepared pursuant to the provisions of Section 129 of the Companies Act, 2013 (the "Act") and Schedule III of the Companies Act, 2013, are annexed and forms a part of this annual report.

Revision in financial statements

There has been no revision in the financial statements of the Company during the financial year 2017 – 2018.

Subsidiary and Associate Companies

In terms of Section 129(3) of the Companies Act, 2013, a statement containing salient

features of the financial statements of the associate or joint venture companies in Form AOC-1, is annexed and forms part of this annual report.

Pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014, the performance and financial position of the associate or joint venture companies included in the consolidated financial statements which is annexed and forms part of this annual report.

During the financial year 2017-18, there is no change in associate companies of the Company.

The Company has formulated the policy on material subsidiaries in alignment with the provisions of Regulation 16 (i) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 46 (2) (h) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Material Subsidiary Policy has been uploaded on the Company's website www.finolexwater.com at the following link: www.finolexwater.com/investors/policies-code-of-conduct/.

Pursuant to Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related party disclosures as specified in Para A of Schedule V, are given below:

Sr. No.	In the accounts of	Disclosure of amounts at the year end and the maximum amount of loans/advances/investments outstanding during the year	
1.	Holding Company	<ul style="list-style-type: none">Loans and advances in the nature of loans to subsidiary by name and amount.Loans and advances in the nature of loans to associates by name and amount.Loan and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	No Holding Company.
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.	No Subsidiary Company
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	No Holding Company

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your directors, on the basis of information and documents made available to them, confirm that:

- a) in the preparation of the annual financial statements for the year ended on 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that period;
- c) the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate governance

A separate report on corporate governance in the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with compliance certificate dated 23rd May, 2018 obtained from M/s SVD & Associates, practicing company secretaries, is annexed and forms part of this annual report.

Appointment of Registrar and Share Transfer Agent

Your Board has approved appointment of Karvy Computershare Pvt. Ltd., Hyderabad as Registrar and Share Transfer Agent (RTA) of the Company and accordingly, Company is in the process of shifting the In-house Share Registry operations to the RTA.

Material changes and commitments

Your directors confirm that there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

Contracts or arrangements with related parties

The particulars of related party transactions are stated in the note no. 37 in the financial statements, Annexures 2, 3 and 5 of this report.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business of the Company. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key

Managerial Personnel or other designated persons which may have a potential conflict of interest with the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2, is not applicable.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for its approval on a quarterly basis. The statement is supported by a Certificate from the Director - Finance and Chief Financial Officer.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for the purpose of identifying and monitoring such transactions.

The Related Party Transactions Policy of the Company approved by the Board of Directors of the Company (the "Board") is uploaded on the Company's website www.finolexwater.com at the following link: <http://www.finolexwater.com/policies-code-of-conduct/>.

Risk management

During the financial year 2014-2015, your directors had constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust risk management framework to identify, evaluate business risks and opportunities. This framework

seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. Risk management forms an integral part of the business planning and forecasting. The key business risks identified by the Company and its mitigation plans are included in the management discussion and analysis report.

Internal financial controls

Pursuant to Rule 8 (5)(viii) of the Companies (Accounts) Rules, 2014, the details in respect of adequacy of internal financial controls with reference to the financial statements, are given below:

The Company has in place adequate internal control procedures, proportionate to the nature of the business and the size of operations, for smooth conduct of business. The systems are implemented for safeguarding the assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The scope and authority of the internal auditors are defined by the Audit Committee from time to time. To maintain its objectivity and independence, the internal auditors M/s. Sharp and Tannan report their observations to the Audit Committee of the Board. The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with

operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the internal auditors, process owners undertake corrective actions in their respective areas which then strengthen the controls. Audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Directors and key managerial personnel:

The Board of your Company is duly constituted with a proper balance of executive, non-executive and independent directors.

Pursuant to Sections 149 (1) and 161 of the Companies Act, 2013 read with Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014, the details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

Re-appointment of Director

Mr. Sanjay S. Math (DIN:01874086), a Managing Director retires by rotation as Director at the ensuing annual general meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Appointment of Director

The Board of Directors has co-opted Mr. Saurabh S. Dhanorkar as an additional director effective 11th August, 2017. Mr. Saurabh S. Dhanorkar holds office up to the date of the ensuing annual general meeting of the Company. A notice has been received proposing Mr. Saurabh S. Dhanorkar as Director of the Company. The Board recommends his appointment.

Independent directors

The Members approved the appointments of

Mr. Sanjay K. Asher, Mr. Kanaiyalal N. Atmaramani, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak as independent directors for a period of five years effective from 20th September, 2014, who are not liable to retire by rotation. The terms and conditions of the appointment of independent directors are as per Schedule IV of the Companies Act, 2013. Pursuant to Section 149(7) of the Companies Act, 2013, all independent directors have given declarations for the financial year 2018-2019 that they meet the criteria of independence as laid down under Section 149(6).

In view of the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the recommendations of the Kotak Committee on Corporate Governance, the approval of the members of the Company by way of a special resolution, is being sought to continue directorship of Mr. Dara Damania, Independent Director who has already attained age of seventy five years. The Board recommends the same.

Key Managerial Personnel (KMP)

During the financial year 2017-18, the following changes took place within KMP:

1. Ms. Vidya R. Shembekar, resigned as Company Secretary and Compliance Officer w.e.f. 5th October, 2017. On her resignation, she ceased to be the KMP of the Company from the said date.
2. Mr. Devang B. Trivedi was appointed as Company Secretary and Compliance Officer w.e.f. 12th February, 2018. He is also a KMP.

As on date of this report Mr. Sanjay S.Math, Managing Director, Mr. Anil V.Whabi, Director – Finance & Chief

Financial Officer and Mr. Devang B. Trivedi, Company Secretary are KMP of the Company.

Training and familiarization programme for directors

In compliance of the Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the familiarization programme for independent directors with an aim to provide them with an insight into their roles, rights, responsibilities within the Company, the nature of the business of the Company and the business model of the Company.

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices.

Periodic presentations are made at the Board and its Committee Meetings, on business and performance updates of the Company, the global business environment, business strategy and various risks involved.

Detailed presentations on the Company's business segments were made at separate meetings held by the independent directors during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly presented to the Directors.

The details of the familiarization programme for independent directors are available on the Company's website www.finolexwater.com/investors/Policies-code-of-conduct/.

Policy on directors' appointment and remuneration

The Company's Nomination and

Remuneration Committee is governed by the terms of reference. The Company's nomination and remuneration policy includes directors' appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other details which are furnished in Annexure 1.

The Company's Nomination and Remuneration Policy is also available on the Company's website www.finolexwater.com at the following link: www.finolexwater.com/investors/Policies-code-of-conduct/.

Annual evaluation by the Board of its own performance and that of its committees and individual directors

The Company has devised a nomination and remuneration-policy for performance evaluation of independent, non-executive and executive directors. The criteria for this evaluation includes qualification, positive attributes, area of expertise and the number of directorships and memberships held in various committees in other companies.

Remuneration of Directors and key managerial personnel

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of directors and key managerial personnel are furnished in Annexure 2.

Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are furnished in Annexure 3.

Auditors and Auditors' Report:

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. P. G. Bhagwat, Chartered Accountants, Pune were appointed as the statutory auditors of the Company in the thirty sixth Annual General Meeting of the Company held on August 11, 2017 for a period of five (5) consecutive years until the conclusion of the 41st annual general meeting to be held in the year 2022 (subject to ratification of their appointment at every annual general meeting) on such remuneration as shall be fixed by the Board. The statutory auditors have issued a certificate of eligibility pursuant to Section 141 of the Companies Act, 2013. Pursuant to notification of certain Sections of the Companies (Amendment) Act, 2017, on May 07, 2018, the requirement of ratification of auditors by the members is no longer required. However, as a matter of abundant precaution, the ratification by the members is being sought for the approval of members in the ensuing annual general meeting. Further, taking into consideration this recent amendment, the annual ratification will not be sought next year onwards.

Cost Auditors

The Board at its meeting held on 23rd May, 2018 has, on recommendation of the Audit Committee, appointed M/s. S. R. Bhargave & Co. as cost auditors to conduct an audit of cost accounting records of the Company for the financial year ending 31st March, 2019. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made thereunder, the ratification by the Members is necessary for the payment of remuneration to cost auditors. Your directors recommend the same.

The Cost Audit Report for the financial year 2016-17, issued by M/s S. R. Bhargave & Co, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs on 21st August, 2017.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SVD & Associates, Practicing Company Secretaries, Pune to undertake the secretarial audit of the Company for the financial year 2017-18. The secretarial audit report for the financial year 2017-18, is enclosed herewith and marked as Annexure 4.

There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in the said Secretarial Audit Report.

The Company has complied with all applicable secretarial standards.

Disclosures:

Your directors are pleased to furnish the following details which are required to be reported by the Company in the Director's Report pursuant to Section 134(3), (a) to (q) of the Companies Act, 2013:

Number of meetings of the Board

During the year under review, five meetings of the Board of Directors were held. The details of the meetings are provided in the corporate governance report in the annual report.

Committees of directors

The details of the committee of the directors pursuant to the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, are described in the corporate governance report of the annual report.

Audit Committee

The Audit Committee has been duly constituted as required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The required details pertaining to the composition of the Audit Committee, pursuant to Section 177 (8) of the Companies Act, 2013, are given in the section of the corporate governance report of the annual report. There are no instances of the Board not having accepted the recommendation of the Audit Committee during the financial year 2017-18.

Extract of Annual return

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the extract of annual return in the prescribed format MGT9, is enclosed herewith as Annexure 5.

Vigil mechanism / Whistle blower policy

The Company has established a vigil mechanism known as the Whistle Blower Policy (the "WBP") pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to report genuine concerns to the Chairman of the Audit Committee. The WBP provides adequate safeguards against victimization of persons who use such mechanism and ensures direct access to the Chairman of the Audit Committee. The details of the WBP are explained in the corporate governance report and also posted on the Company's website.

The Company affirms that no director or employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Sexual harassment policy

The Company has in place a policy for prevention of sexual harassment of its employees at the workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints' Committee has been constituted by the Company to redress any complaints received regarding sexual harassment. Your directors state that during the year under review, there was no complaint received / case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI), the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent the misuse of UPSI by insiders and connected persons and ensure that the Directors and designated persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from having access to and possession of such UPSI about the Company which is not in the public domain, that is to say, insider information.

The Code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

Particulars of loans, guarantees or investments

The details, as applicable, of loans given, investments made or guarantees given pursuant to Section 186 of the Companies Act, 2013, are disclosed in note no. 4 to the financial statements for the financial year 2017-2018.

It is clarified that the Company has no loans/ advances and investments in its own shares.

Significant and material orders passed by the regulators or courts or tribunals

Pursuant to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, it is reported that no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

Employee stock option scheme

During the year under review, your directors confirm that no shares were issued by the Company under the subsisting Finolex Industries Limited – Employee Stock Option Scheme Plan (ESOP) of the Company.

Sweat equity shares and equity shares with differential voting rights

Your directors confirm that neither sweat equity shares nor equity shares with differential voting rights have been issued by the Company during the year under review.

The conservation of energy, technology absorption, foreign exchange earnings and outgo

Your Company is committed to achieve the highest standards of environmental excellence by adopting environmentally sustainable and effective operating systems and processes. Your Company has put in place the internationally acclaimed Environment Management System under ISO 14001 certification at Ratnagiri. Your Company, is in compliance with all applicable environmental regulations in respect of air, water, noise, hazardous waste, e-waste etc. to mitigate the potential environmental impact on society.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given under Section 134(3) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 6.

Business responsibility report:

Business Responsibility Report for the year ended 31st March, 2018 as stipulated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed as Annexure 7.

Corporate social responsibility:

The Board has constituted Corporate Social Responsibility (CSR) Committee and also framed the corporate social responsibility policy pursuant to Section 135 of the Companies Act, 2013. The details of the CSR Committee are given in the corporate governance report section of the annual report.

The corporate social responsibility policy of the Company can be viewed on the Company's website www.finolexwater.com at the following link www.finolexwater.com/policies-code-of-conduct/.

As a responsible corporate citizen, your Company conducts its CSR activities in healthcare, education, water conservation and community development and welfare with Company's CSR partner Mukul Madhav Foundation ("MMF"). Your Company has been actively contributing to the social and economic development of the underprivileged in and around your Company's plants situated at Ratnagiri and Urse in the state of Maharashtra and at Masar in the state of Gujarat.

The CSR activities carried out by your Company through MMF is headed by Mrs. Ritu P. Chhabria, Managing Trustee of Mukul Madhav Foundation, a driving force in accomplishing the activities on day-to-day basis.

During the financial year 2017-18, your Company in association with MMF has incurred expenditure on various CSR activities aggregating ₹848.55 lakh against the mandatory CSR expenses of ₹608.49 lakh.

The detailed report on the CSR activities, is enclosed as Annexure 8.

Cautionary statement

Statements in the Board of Directors' Report and the Management Discussion & Analysis describing the Company's objectives,

expectations or forecasts may be within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting the selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Acknowledgements

Your directors take this opportunity to place on record their sense of gratitude to the banks, financial institutions, central and state Government departments and local authorities for their guidance and support. Your directors are also grateful to the customers, suppliers and business associates of the Company for their continued co-operation and support. Your directors express their deep appreciation for the commitment, dedication and hard work put in by the employees at all levels. Lastly, your directors are grateful for the confidence and faith shown in them by the shareholders of the Company.

For and on behalf of the Board of Directors

23rd May, 2018
Pune

Prakash P. Chhabria
Executive Chairman
DIN :00016017

Annexure-1 to Directors' Report

Nomination and Remuneration Policy

1. Preamble

- 1.1 Finolex Industries Limited (the 'Company') recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company. For the purpose of attaining these ends, the Company has constituted a Nomination and Remuneration Committee which is entrusted with the task of devising a transparent reasonable and fair policy of remuneration for its directors, key managerial personnel and other employees.
- 1.2 The Companies Act, 2013 vide sub-section (3) of section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement as amended by the Securities and Exchange Board of India vide Master Circular dated April 17, 2014 makes it mandatory for the Board of Directors of every listed company to constitute a Nomination and Remuneration Committee.
- 1.3 The objective of the Nomination and Remuneration Committee is to assist the Board of Directors of the Company and its controlled entities in fulfilling its responsibilities to shareholders by :
 - 1.3.1 Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.
 - 1.3.2 ensuring that the Board of Directors is comprised of individuals who are best able to discharge the responsibilities of directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and
 - 1.3.3 ensuring that the nomination processes and remuneration policies are equitable and transparent.
- 1.4 The responsibilities of the Committee include :
 - 1.4.1 formulating a criteria for determining qualifications, positive attributes and independence of a director;
 - 1.4.2 recommending to the Board of Directors a policy or recommendation, relating to the appointment and remuneration for the directors, key managerial personnel and other employees which includes one level below key managerial personnel;
 - 1.4.3 formulating a criteria/ recommendation for evaluation of performance of independent directors and the Board

- of Directors and on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director;
- 1.4.4 devising a policy/ recommendation on Board diversity; and
- 1.4.5 identifying persons who are qualified to become directors and who may be appointed as part of the 'senior management' or core management team of the Company in accordance with the criteria laid down, and recommending to the Board of Directors the appointment and removal of such personnel.
- 1.5 This Nomination and Remuneration Policy has been formulated with a view to :
 - 1.5.1 Consider selection, appointment of directors including independent directors, key managerial personnel and one level below key managerial personnel in compliance of the provisions of the Companies Act, 2013 and Listing Agreement with stock exchange(s) and devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;
 - 1.5.2 encourage personnel to perform to their highest level;
 - 1.5.3 provide consistency in remuneration throughout the Company; and
 - 1.5.4 offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company.

- 1.6 The Nomination and Remuneration Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company.

2. Definitions

Some of the key terms used in the Nomination and Remuneration Policy are as under :

- 2.1 'Board' means the Board of Directors of Finolex Industries Limited or the Company.
- 2.2 'Committee' means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with section 178 of the Companies Act, 2013.
- 2.3 'Director' means a director appointed on the Board of the Company including executive; non-executive; and independent directors.
- 2.4 'Employee' means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- 2.5 'Key managerial personnel' includes managing director, or chief executive officer or manager and in their absence, a whole-time director; company secretary; and chief financial officer.
- 2.6 'Member' means a director of the Company appointed as member of the Committee.
- 2.7 'Nomination and Remuneration Policy' shall mean the policy of remuneration

of directors, key managerial personnel and other employees of the Company formulated by the Nomination and Remuneration Committee.

- 2.8 'One Level below KMP or Senior management' means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management who are one level below the executive directors commonly known as the functional heads.

3. Nomination and Remuneration Committee

- 3.1 The Committee shall be formed by the Board of the Company. It shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Board of the Company shall nominate directors as members of the Committee from time to time.
- 3.2 The Chairman of the Committee shall be an independent director but shall not be the Chairperson of the Company. He shall be present at the Annual General Meeting, to answer the shareholders' queries and may determine as to who should answer the queries.
- 3.3 The presently nominated members of the Committee are nominated by the Board of Director. The Board will nominate Directors on the Committee, from time to time.
- 3.4 In respect of the policy on Board Diversity, the Committee shall ensure that the Board has requisite number of independent, executive and other category of Directors as prescribed in the Companies Act, 2013, Rules made

thereunder and Listing Agreement including amendments, as may be applicable from time to time.

4. Letter of Engagement or Contract of Employment

- 4.1 Non-executive directors shall enter into a letter of engagement with the Company, the terms and conditions of which shall be approved by the Board. The letter of engagement shall set forth the terms and conditions of the engagement, the performance expectations for the position, the remuneration package, the availability of the latter being contingent upon fulfillment of certain expectations of the Company measured by benchmarks of performance.
- 4.2 Executive directors, key managerial personnel and senior management employees shall enter into a contract/ employment contract or acceptance of appointment/ increment letter ("contract of employment") with the Company clearly setting out the terms and conditions of the remuneration package for such person. The contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.
- 4.3 The Committee and the Board must approve the contracts of employment for the senior management and directors.
- 4.4 The Board shall disclose the terms and conditions of any contract of employment in accordance with the law and the employment rules, as applicable from time to time.

5. Remuneration Structure

5.1 Remuneration to Executive Directors, Key Managerial Personnel and Senior Management

The Board shall, in consultation with the Committee approve and finalize the forms of remuneration to be offered to executive and non executive directors, key managerial personnel, senior management and other employees. The remuneration package shall be composed of amounts that are fixed and variable and the endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby promote sustainable value for the Company and its shareholders over time.

5.1.1 Fixed Remuneration

The contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate a fixed gross annual salary or base salary payable to the employee. The fixed remuneration or salary shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market and the scale of the business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company.

5.1.2 Performance based remuneration or incentive or Ex-gratia bonus based payments

The performance or incentive or Ex-gratia bonus based payments shall form part of the variable component of

the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting short and long term performance objectives appropriate to the working of the Company and designed to lay emphasis on the direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon the attainment of specific performance targets by employees in the Company. Incentive-based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

5.1.3 Severance Fees or Termination Benefits

Each contract of employment entered into by the executive directors, key managerial personnel and senior management employees with the Company shall demarcate in advance the entitlement to payment upon termination of employment for each employee or shall part of employee's service contract or appointment letter. Making of such payments shall be approved by the Board and the Committee and shall be in consonance with the Nomination and Remuneration Policy of the Company.

5.1.4 Employee Benefits

The Company shall comply with all legal and industrial obligations in determining the benefits available to employees, namely short-term benefits such as salaries, social security contributions, bonuses, post-employment benefits such as gratuity, other long-term employee benefits.

5.2 Remuneration to Non-Executive Directors

The Nomination and Remuneration Committee and/ or Board of Directors shall carry out performance review of each of the Director atleast once a year. According to the performance of each Director, the Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non-executive directors shall receive a fixed remuneration, for their service. Non-executive directors shall not be entitled to any performance-based incentives, bonus payments or retirement benefits. Board of Directors shall be authorised to decide any other mode of remuneration, as may be agreed upon by resolution passed by the Board at the meeting.

6. Disclosure

- 6.1 The Nomination and Remuneration Policy shall be disclosed in the Board's report of the Company prepared in accordance with sub-section (3) of section 134 of the Companies Act, 2013.
- 6.2 Payments to non-executive directors shall be either disclosed in the Annual Report of the Company and/ or put up on the website of the Company and reference drawn thereto in the Annual Report as per mandatory requirement or decided by the Key Managerial person from time to time. Further, the number of shares and convertible instruments held by non-executive directors shall be disclosed by the Company in its Annual Report.
- 6.3 With regard to payment of remuneration, the section on the corporate governance of the Annual

Report of the Company shall contain the following disclosures, namely :

- 6.3.1 All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
- 6.3.2 Details of fixed component and performance linked incentives, along with the performance criteria;
- 6.3.3 Service contracts, notice period, severance fees; and
- 6.3.4 Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

7. Review and Implementation

- 7.1 The Key Managerial Person shall conduct an evaluation of performance for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.
- 7.2 The remuneration package payable to the employees of the Company shall be approved by the Committee or Board, as may be applicable from time to time.
- 7.3 The Committee shall be responsible for monitoring the implementation of the policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company. Any amendment in the Act, Rules will be applicable from the date of the notification. This policy will be deemed to be amended from such date. Chairman of the Committee shall be authorised to amend the policy from time to time.

Annexure-2 to Directors' Report

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i) The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, if any, in the financial year 2017-18, the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company, are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2017-18 in ₹.	Percentage increase/ (decrease) in remuneration in the Financial Year 2017-18	Ratio of remuneration to the median remuneration of employees (times)
1	Mr. Prakash P. Chhabria Executive Chairman	95,892,492	-17%	191.78
2	Mr. Sanjay S. Math Managing Director	24,524,306	-5%	49.05
3	Mr. Anil V. Whabi Director - Finance & CFO (KMP)	17,660,749	38%	35.32
4	Mr. Sanjay K. Asher Non- Executive Director	1,405,000	-21%	2.81
5	Mr. Kanaiyalal N. Atmaramani Non- Executive Director	1,385,000	-27%	2.77
6	Mrs. Ritu P. Chhabria Non- Executive Director	1,365,000	-23%	2.73
7	Mr. Dara N. Damania Non- Executive Director	1,585,000	-14%	3.17
8	Mr. Shrikrishna N. Inamdar Non- Executive Director	1,960,000	-20%	3.92
9	Mr. Prabhakar D. Karandikar Non- Executive Director	1,785,000	-17%	3.57
10	Dr. Sunil U. Pathak Non- Executive Director	1,865,000	-13%	3.73
11	Mr. Saurabh S. Dhanorkar Non- Executive Director (w.e.f 11/08/2017)	1,585,000	Not Applicable*	3.17
12	Ms. Vidya Shembekar Company Secretary (KMP- upto 05/10/2017)	1,794,394	Not Applicable*	3.59
13	Mr. Devang Trivedi Company Secretary (KMP-w.e.f 12/2/2018)	424,132	Not Applicable*	0.85

* Not Applicable since remuneration was paid for the part of the year

- ii) The percentage increase in the median remuneration of employees for the financial year was 9.15%
- iii) There were 1288 permanent employees on the rolls of the Company as on 31st March, 2018.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2017-18 was 11.54%, whereas there was a decrease of 10.3% in the managerial remuneration for the same financial year.
- v) It is hereby affirmed that the remuneration paid to the Directors is as per the Nomination and Remuneration Policy of the Company for directors and key managerial personnel.

Annexure-3 to Directors' Report

Information as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Sr. No.	Name	Designation	Qualification(s)	Age (yrs.)	Total Experience	Date of Commencement of Employment	Gross remuneration 2017-18 ₹	Last employment held	% of equity shares held	Whether Employee is relative of any director if yes, give name of such director
1	Mr. Prakash P. Chhabria	Executive Chairman	B.Sc. (Intl. Business) USA	55	33	13.03.1992	9,58,92,492	Finlex Cables Limited	0.138	Mrs. Ritu P. Chhabria
2	Mr. Sanjay S. Math	Managing Director	B.E.(Chem.), DMS	62	43	13.12.2011	2,45,24,306	I.G.Petrochemicals Ltd	0.002	No
3	Mr. Anil V. Whabi	Director - Finance	B.Sc., ACA	58	34	11.08.2014	1,76,60,749	Kotkar Energy Dynamics Pvt. Ltd.	0	No
4	Mr. Diptesh Patel	Chief Information Officer	B.Sc. MSM	46	23	07.11.2015	1,04,85,971	JSW Steel Ltd.	0	No
5	Mr. Nitin G. Kulkarni	President - Sales & Marketing	B.Com, MBA-Marketing	51	30	19.12.2014	7755,058	HSIL Ltd.	0	No
6	Mr. Jayanta Sinha	Vice President- Sales & Marketing	B.Sc. MBA-Marketing	51	24	01.09.2014	61,89,793	Elder Pharmaceuticals Limited	0	No
7	Mr. Arun H. Sonawane	President-Operation Pipes & Fittings	DME DIBM, DBM	63	39	21.09.2012	53,58,959	Jain Irrigation Systems Ltd.	0	No
8	Mr. Sannitra Trivedi	President - HR	BE-MECH, PGD IR&PM	52	29	25.09.2017	45,41,484	Reliance Industries Ltd	0	No
9	Mr. Lokanath Mati	AVP - Production	MBA	48	14	22.08.2016	42,62,893	Hyderabad Industries Ltd	0	No
10	Mr. S.S. Mulye	Vice President- PVC O&M	B.E.-MECH	57	36	01.10.1991	42,03,209	Gharada Chemicals Ltd.	0	No

Note:

The nature of employment of Directors mentioned as per Sr. No. 1 to 3, is contractual while for other employees, it is permanent. During the financial year 2017-18, no employee has received remuneration in excess of Managing Director/ Whole time Directors.

Annexure-4 to Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Finolex Industries Limited
Gat No. 399, Village Urse,
Taluka Maval, Pune-410506
CIN: L40108PN1981PLC024153

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Finolex Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company

for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013, The Companies Amendment Act, 2017 (the Act) and the rules made thereunder (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (not applicable to the company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – The in-house Investor Services Centre of the Company, registered with SEBI as a Category II Share Transfer Agent, provides share registration and related services.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period).
- vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the:-
- a) Indian Boiler Act, 1923 and regulations as specified thereunder;
 - b) Petroleum Act, 1934 and Petroleum Rules, 2002
- We have also examined compliance with the applicable clauses and regulations of the following:
- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
 - (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- We further report that
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, at the annual general held on 11th August, 2017 following special resolution were passed:-

- a. to give approval to the company for making offer(s) to subscribe to secured Non Convertible Debentures for a sum not exceeding ₹ 2,50,00,00,000/- (Rs. Two hundred fifty crores only) on private

placement basis in one or more tranches during the period of one year from the date of passing this resolution within overall borrowing limits of the company.

- b. for payment of commission to the directors, other than managing director or whole time director of the company, not exceeding one percent of the net profit of the calculated under the provisions of section 198 of the Companies Act, 2013 with a cap of ₹ 2,00,00,000/- (Rs. Two crore only) for each financial year commencing from 1st April, 2016.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Place: Pune
Date: 23rd May, 2018

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

To,
The Members,
Finolex Industries Limited
Gat No. 399, Village Urse,
Taluka Maval, Pune-410506

Our Secretarial Audit Report of even date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner

FCS No: 1321
C P No: 965

Place: Pune
Date: 23rd May, 2018

Annexure-5 to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i)	CIN	L40108PN1981PLC024153
ii)	Registration Date	28th March, 1981
iii)	Name of the Company	Finolex Industries Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506, Maharashtra State. Tel No.02114-237251 Fax No.02114-237252 E-mail: investors@finolexind.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Finolex Industries Limited, In-House STA, Investor Relations Centre, D 1/10 MIDC, Chinchwad, Pune 411019. Tel no. 020-27408200, Fax No.020-27479000, E-mail: investors@finolexind.com Website: www.finolexwater.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	PVC	20131	17.75%
2	PVC PIPES & FITTINGS	22209	82.25%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	FINOLEX PLASSON INDUSTRIES PRIVATE LIMITED Plot No 399 Urse Tal-Maval Dist- Pune, 410506 Maharashtra	U41000PN1992PTC067896	ASSOCIATE	46.35	2(6)
2	PAWAS PORT LIMITED D 1/10, MIDC, Chinchwad, Pune 411 019, Maharashtra	U45203PN2007PLC130990	ASSOCIATE	49.99	2(6)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1st April, 2017				No. of Shares held at the end of the year i.e. on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1376249	0	1376249	1.11	1376249	0	1376249	1.11	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	63737448	0	63737448	51.36	63737448	0	63737448	51.36	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	65113697	0	65113697	52.47	65113697	0	65113697	52.47	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	65113697	0	65113697	52.47	65113697	0	65113697	52.47	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10087214	8878	10096092	8.14	10591075	8878	10599953	8.54	0.41
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	1022881	0	1022881	0.82	218427	0	218427	0.18	-0.65
d) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) FIs	4982126	700	4982826	4.02	5408714	700	5409414	4.36	0.34
f) Banks / FI	43614	3251	46865	0.04	61583	3251	64834	0.05	0.01
g) Insurance Companies	0	400	400	0.00	0	400	400	0.00	0.00
h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
j) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
k) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	16135835	13229	16149064	13.01	16279799	13229	16293028	13.02	0.12
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6779547	50677	6830224	5.50	5500831	48877	5549708	4.47	-1.03
ii) Overseas	0	400	400	0.00	0	400	400	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13138527	8782545	21921072	17.66	26252177	4355991	21896186	17.64	-0.02
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11842064	20500	11862564	9.56	12640519	20500	12661019	10.20	0.64
c) Others (specify)									
Clearing member	468755	0	468755	0.38	17675	0	17675	0.01	-0.36
NRI	1110877	204884	1315761	1.06	1263645	200307	1463952	1.18	0.12
Limited Liability Partnership	0	0	0	0.00	665321	0	665321	0.54	0.54
Trustees	1244	0	1244	0.00	1000	0	1000	0.00	0.00
/Finolex Industries Limited Employees Welfare Trust	0	432600	432600	0.35	0	432600	432600	0.35	0.00

Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 1st April, 2017				No. of Shares held at the end of the year i.e. on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	0	0	0	0.00	795	0	795	0.00	0.00
Sub-total (B)(2):-	33341014	9491606	42832620	34.52	46341963	3653307	42688656	34.40	-0.12
Total Public Shareholding (B)=(B)(1)+(B)(2)	49476849	9504835	58981684	47.53	62621762	3666536	58981684	47.53	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	114590546	9504835	124095381	100.00	127735459	3666536	124095381	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Name of Shareholder	Shareholding at the beginning of the year i.e. 1st April, 2017			Share holding at the end of the year i.e. 31st March, 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	AMIT KATARA	18782	0.02	0	18782	0.02	0.00	0.00
2	AMIT KATARA	950	0.00	0	950	0.00	0.00	0.00
3	AMRITA KATARA	22125	0.02	0	22125	0.02	0.00	0.00
4	AMRITA MUKESH KATARA	950	0.00	0	950	0.00	0.00	0.00
5	AMIT KATARA	5400	0.00	0	5400	0.00	0.00	0.00
6	KATARA AMRITA MUKESH	3500	0.00	0	3500	0.00	0.00	0.00
7	KATARA ARUNA MUKESH	146720	0.12	0	146720	0.12	0.00	0.00
8	KATARA ARUNA MUKESH	111000	0.00	0	111000	0.00	0.00	0.00
9	KATARA MUKESH DOLUMAL	23030	0.02	0.01	23030	0.02	0.01	0.00
10	KATARA MUKESH DOLUMAL	3500	0.00	0	3500	0.00	0.00	0.00
11	AMIT KATARA	15500	0.01	0	15500	0.01	0.00	0.00
12	AMRITA KATARA	15500	0.01	0	15500	0.01	0.00	0.00
13	DEEPAK KISHAN CHHABRIA	80921	0.07	0	80921	0.07	0.00	0.00
14	KAVITA SANJAY RAHEJA	37002	0.03	0	37002	0.03	0.00	0.00
15	KAVITA SANJAY RAHEJA	55877	0.05	0	55877	0.05	0.00	0.00
16	KISHAN PARSRAM CHHABRIA	170542	0.14	0	170542	0.14	0.00	0.00
17	PRIYA VIJAY CHHABRIA	60200	0.05	0	60200	0.05	0.00	0.00
18	RISHI VIJAY CHHABRIA	1350	0.00	0	1350	0.00	0.00	0.00
19	SUNITA KISHAN CHHABRIA	153592	0.12	0	153592	0.12	0.00	0.00
20	VIJAY KISHAN CHHABRIA	106350	0.09	0	106350	0.09	0.00	0.00
21	VINI DEEPAK CHHABRIA	26400	0.02	0	26400	0.02	0.00	0.00
22	GAYATRI PRAKASH CHHABRIA	74825	0.06	0	74825	0.06	0.00	0.00
23	HANSIKA HIYA PRAKASH CHHABRIA	66975	0.05	0	66975	0.05	0.00	0.00
24	PRAKASH PRALHAD CHHABRIA	170749	0.14	0	170749	0.14	0.00	0.00
25	PRALHAD PARSRAM CHHABRIA	59	0.00	0	59	0.00	0.00	0.00
26	RITU PRAKASH CHHABRIA	4450	0.00	0	4450	0.00	0.00	0.00
27	ORBIT ELECTRICALS PRIVATE LIMITED	23330901	18.80	0	23330901	18.80	0.00	0.00
28	KATARA DENTAL PVT.LTD.	213950	0.17	0	213950	0.17	0.00	0.00
29	FINOLEX CABLES LIMITED	40192597	32.39	0	40192597	32.39	0.00	0.00
	At the end of the year (or on the date of separation, if separated during the year)	65113697	52.47	0	65113697	52.47	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify if there is no change)

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	At the beginning of the year	65113697	52.47					
2	Datewise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonds/swet equity etc.)	No change in share holding during the year						
3	At the end of the year						65113697	52.47

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters)

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	ANUJ ANANTRAI SHETH	4681002	3.77	1-Apr-17				
				7-Apr-17	-800000	Transfer	3881002	3.13
				9-Jun-17	-37002	Transfer	3844000	3.10
		3844000	3.10	31-Mar-18			3844000	3.10
2	DSP BLACKROCK MICRO CAP FUND/DSP BLACKROCK SMALL CAP FUND	1579803	1.27	1-Apr-17				
				25-Aug-17	40000	Transfer	1619803	1.31
				1-Sep-17	35583	Transfer	1655386	1.33
				15-Sep-17	12221	Transfer	1667607	1.34
				29-Sep-17	4104	Transfer	1671711	1.35
		1671711	1.35	31-Mar-18			1671711	1.35
3	HITEN ANANTRAI SHETH	1500000	1.21	1-Apr-17		No change		
		1500000	1.21	31-Mar-18			1500000	1.21
4	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS	0	0.00	1-Apr-17				
				14-Jul-17	335000	Transfer	335000	0.27
				28-Jul-17	71000	Transfer	406000	0.33
				4-Aug-17	347000	Transfer	753000	0.61
				10-Aug-17	9866	Transfer	762866	0.61
				11-Aug-17	18523	Transfer	781389	0.63
				18-Aug-17	42516	Transfer	823905	0.66
				25-Aug-17	55660	Transfer	879565	0.71
				1-Sep-17	23969	Transfer	903534	0.73
				8-Sep-17	10589	Transfer	914123	0.74
				15-Sep-17	29179	Transfer	943302	0.76
				29-Sep-17	6580	Transfer	949882	0.77
				6-Oct-17	14606	Transfer	964488	0.78
				26-Oct-17	535512	Transfer	1500000	1.21
				27-Oct-17	-535512	Transfer	964488	0.78
				17-Nov-17	59241	Transfer	1023729	0.82

SI No.	Name of Shareholder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
				24-Nov-17	433062	Transfer	1456791	1.17
				15-Dec-17	43209	Transfer	1500000	1.21
		1500000	1.21	31-Mar-18			1500000	1.21
5	GAGANDEEP CREDIT CAPITALS PVT LTD	1389500	1.12	1-Apr-17		No change		
		1389500	1.12	31-Mar-18			1389500	1.12
6	FRANKLIN INDIA SMALLER COMPANIES FUND	1282743	1.03	1-Apr-17		No change		
		1282743	1.03	31-Mar-18			1282743	1.03
7	FINOLUX AUTO PRIVATE LIMITED	1184658	0.95	1-Apr-17		No change		
			0.95	31-Mar-18			1184658	0.95
8	DSP BLACKROCK BALANCED FUND	477402	0.38	1-Apr-17				
				14-Apr-17	230725	Transfer	708127	0.57
				12-May-17	170050	Transfer	878177	0.71
				2-Jun-17	30000	Transfer	908177	0.73
				26-Oct-17	234166	Transfer	1142343	0.92
				27-Oct-17	-234166	Transfer	908177	0.73
				15-Dec-17	117203	Transfer	1025380	0.83
				12-Jan-18	116963	Transfer	1142343	0.92
				30-Mar-18	-38909	Transfer	1103434	0.89
		1103434	0.89	31-Mar-18			1103434	0.89
9	SBI EMERGING BUSINESS FUND	900000	0.73	1-Apr-17		No change		
		900000	0.73	31-Mar-18			900000	0.73
10	DSP BLACKROCK SMALL AND MID CAP FUND/ DSP BLACKROCK MIDCAP FUND	820590	0.66	1-Apr-17				
				25-Aug-17	40000	Transfer	860590	0.69
				1-Sep-17	35582	Transfer	896172	0.72
		896172	0.72	31-Mar-18			896172	0.72

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl No.	Name of Director / KMP	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning / end of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Prakash PChhabria Executive Chairman	170749	0.138	1-Apr-17		No transaction		
		170749	0.138	31-Mar-18			170749	0.138
2	Mr. Sanjay K.Asher Independent Director	0	0	1-Apr-17	0	No shares held	0	0
		0	0	31-Mar-18	0		0	0
3	Mr. Kanaiyalal Atmaramani Independent Director	0	0	1-Apr-17	0	No shares held	0	0
		0	0	31-Mar-18	0		0	0
4	Mrs. Ritu Prakash Chhabria Non-executive, Non-Independent Director	4450	0.004	1-Apr-17		No transaction		
		4450	0.004	31-Mar-18			4450	0.004
5	Mr. Dara N.Damania Independent Director	900	0.001	1-Apr-17		No transaction		
		900	0.001	31-Mar-18	0		900	0.001
6	Mr. Saurabh S.Dhanorkar Independent Director	5381	0.004	1-Apr-17		No transaction		
		5381	0.004	31-Mar-18	0		5381	0.004
7	Mr. Shrikrishna N. Inamdar Independent Director	2000	0.002	1-Apr-17		No transaction		
		2000	0.002	31-Mar-18	0		2000	0.002
8	Mr. Prabhakar D.Karandikar Independent Director	0	0	1-Apr-17	0	No shares held	0	0
		0	0	31-Mar-18	0		0	0
9	Mr. Sanjay S.Math Managing Director	3000	0.002	1-Apr-17		No transaction		
		3000	0.002	31-Mar-18	0		3000	0.002
10	Dr. Sunil U.Pathak Independent Director	300	0.000	1-Apr-17		No transaction		
		300	0.000	31-Mar-18	0		300	0.000
11	Mr. Anil V.Whabi Director - Finance & CFO (KMP)	0	0	1-Apr-17	0	No shares held	0	0
		0	0	31-Mar-18	0		0	0
12	Ms. Vidya Shembekar General Manager (Legal) and Company Secretary (KMP- upto 5/10/2017)	0	0	1-Apr-17	0	No shares held	0	0
		0	0	31-Mar-18	0		0	0
13	Mr. Devang B. Trivedi General Manager (Legal) and Company Secretary (KMP- w.e.f. 12/2/2018)	0	0	1-Apr-17	0	No shares held	0	0
		0		31-Mar-18				

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,418.47	-	-	9,418.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	46.02	-	-	46.02
Total (i+ii+iii)	9,464.49	-	-	9,464.49
Change in Indebtedness during the financial year				
• Addition	57,371.76	4,762.85	-	62,134.61
• Reduction	(61,517.04)	-	-	(61,517.04)
Net Change	(4,145.28)	4,762.85	-	617.57
Indebtedness at the end of the financial year				
i) Principal Amount	5,311.34	4,759.44	-	10,070.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.87	3.41	-	11.28
Total (i+ii+iii)	5,319.21	4,762.85	-	10,082.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. no.	Particulars of Remuneration	Mr. Prakash P. Chhabria	Mr. Sanjay S. Math	Mr. Anil V. Whabi	Total Amount
		Executive Chairman	Managing Director	Director - Finance	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,23,30,477	1,05,14,991	1,04,51,758	4,32,97,226
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,44,000	3,74,000	40,000	11,58,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	6,80,00,000	1,20,00,000	60,00,000	8,60,00,000
	- as % of profit	1.53%	0.27%	0.14%	1.94%
	- others, specify	—	—	—	—
5	Others, please specify- Retirement benefits	48,18,015	16,35,315	11,68,991	76,22,321
	Total (A)	9,58,92,492	2,45,24,306	1,76,60,749	13,80,77,547
	Ceiling as per the Act: ₹ 4,436.84 lakh - being 10% of the net profit of the Company as per Section 198 of the Companies Act, 2013.				

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Sanjay K. Asher	Mr. Kanaiyalal N. Atmaramani	Mrs. Ritu P. Chhabria	Mr. Dara N. Damania	Mr. Shrikrishna N. Inamdar	Mr. Prabhakar D. Karandikar	Dr. Sunil U. Pathak	Mr. Saurabh S. Dhanorkar	
1	Independent Directors									
	• Fee for attending board / committee meetings	2,80,000	2,60,000	—	4,60,000	4,60,000	6,60,000	7,40,000	—	28,60,000
	• Commission	11,25,000	11,25,000	—	11,25,000	15,00,000	11,25,000	11,25,000	—	71,25,000
	• Others, please specify									
	Total (1)	14,05,000	13,85,000	—	15,85,000	19,60,000	17,85,000	18,65,000	—	99,85,000
2	Other Non-Executive Directors									
	• Fee for attending board / committee meetings	—	—	2,40,000	—	—	—	—	4,60,000	7,00,000
	• Commission	—	—	11,25,000	—	—	—	—	11,25,000	22,50,000
	• Others, please specify- Retirement benefits	—	—	—	—	—	—	—	—	—
	Total (2)	—	—	13,65,000	—	—	—	—	15,85,000	29,50,000
	Total (B)=(1+2)	14,05,000	13,85,000	13,65,000	15,85,000	19,60,000	17,85,000	18,65,000	15,85,000	1,29,35,000
	Total Managerial Remuneration (A+B)									1,510,12,547
	Overall Ceiling as per the Act	Ceiling as per the Act: ₹ 4,880.52 lakh(being 11% of the net profit of the Company as per Section 198 of the Companies Act, 2013.								

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager

₹

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Vidya Shembekar Company Secretary	Mr. Devang Trivedi Company Secretary	
		From 1st April, 2017 to 5th October, 2017	From 12th February, 2018 to 31st March, 2018	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,54,787	4,03,328	20,58,115
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify- Retirement benefits	1,39,607	20,804	1,60,411
	Total (A)	17,94,394	4,24,132	22,18,526

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No instances of penalties/Punishment/Compounding of offence or Other officers in default

₹

Type	Section of the Companies Act		Brief Description		Details of Penalty / Punishment/ Compounding fees imposed		Authority [RD / NCLT/ Court]		Appeal made, if any (give Details)	
A: Company										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-
B: Directors										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-
C. Other Officers in default										
Penalty	-	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-	-

Annexure-6 to Directors' Report

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of energy

a) Energy Conservation measures taken:

VCM, PVC, CPP and Pipes plants

- Indirect heat recovery from hot effluent of Poly reactors implemented for line 1 & 2 similar to that done for line 3 also last year. To avoid fouling indirect heat recovery, a Plate Heat Exchanger (PHE) is used with periodical cleaning for operational continuity. This has resulted in steam saving of 0.8 ton per hour.
- Second PVC cooling tower was upgraded with high surface area fills fitting in available space to lower down approach to wet bulb temperature which resulted in improved cooling water supply temperature.
- Replacement of major shop floor lighting in pipes plants by LED lighting resulted into considerable conservation of energy.
- Variable frequency drives installed on vacuum pump motors of 17 extrusion lines to control vacuum in tank, pumps now at lower speed thereby saving energy 8.5kw/hour.
- PVC powder conveying blower motor (02Nos) rating reduced from 37 kw to 22 kw to save 15 kw/hour of power.

- Level switch provided at 4 resin unloading station to save idle running of material conveying blower thereby saving 5 kw/hour of power.
- To save 12kw/hour of power, the balancing of Air Flow /Pressure done & accordingly re-located the Air compressors in Unit 1 & 2 - Gives Energy Saving - (8500Units/ Month saving).
- Installation of temperature indicator controller on all cooling tower fan. Energy saving 6928 kwh/year 0.8 kw/hour.
- Optimize power consumption of Air compressor motor by VFD installation. Energy saving 97,494 kwh/year, 11kw/hour.

b) Additional investments proposals if any, being planned for reduction in consumption of energy:

- As power plant runs at a higher turn down ratio, the multistage feed water pumps run inefficiently. Hence, proposed to do two stage blinding of these pumps thereby saving 90 kw per hour per pump. This will also reduce wear and tear of feed control valves and de superheating control valves thereby saving on maintenance cost. The proposal is expected to pay back in one year.

- Propose to resize condenser cooling water pump impeller to save approx. 120 KW/Hour energy due to a high turn down operation of the power plant.
- Conversion of existing direct vacuum pump with VFD system to save energy upto 35 kw/hour. Some mixers are running without VFD. Installation of VFD in some mixtures can save maintenance cost and breakdown time due to failure of contactor and tripping of ACB.
- Replacement of Balance shop floor lighting in pipes plant by LED lighting to save 9.5 kw/hour.

Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

- Resulted in reduction in consumption of energy and cost of production of goods.

B. Technology absorption

Research and Development (R&D)

Specific areas in which R&D efforts have been put in by company are:

- C type drift eliminators replaced with S type drift eliminators in remaining 3 cell of power plant sea water cooling tower and water diverters installed. This reduced drift losses by 90%, thereby reducing sea water induced corrosion of nearby structure.
- Upgraded one cell of PVC cooling tower with Galvanized Iron (GI) structure replacing old timber

structure for higher durability and increased air volume.

- A spare available electro magnet installed over product coal conveyor to avoid any ferrous material generated in coal crushing system to enter into Boilers through coal feeding system.
- A humidity meter is installed in air cooling duct of the turbo generator for in time identification of leak of water cooler tubes.
- To improve Turbo generator governing and bearing oil quality, a new electrostatic oil Cleaning machine installed.

1 Benefits derived as a result of the above R&D

- Improvement in reaction efficiencies
- Improvement in on stream time
- Conservation of base material
- Environmental protection and effluent quality improvement

2 Future plans

- Installation of a PHE instead of existing shell & tube condenser for Recovered VCM condensation in Monomer recovery unit to overcome frequent condenser fouling problem.
- Installation of additional Antioxidant dosing system in Monomer recovery plant to dose antioxidants

at compressor discharge header to control Auto-polymerization.

- Replacing remaining 84 SF6 gas circuit Breakers with environment friendly Medium Voltage circuit breakers (VCB) in phased manner.
- To improve make up sea water quality to cooling tower, feed will be routed through a pressure sand filter further to the available tube settler.
- Measures such as installation of surface mixers in equalization tank, installation of multi graded

filter, installation of surface aerator in treated water storage tank etc. will be taken up to improve treated water quality mainly with respect to BOD as it is used for gardening purpose within plant premises.

- E PVC product improvement trials with respect to thermal stability and pinholes will be conducted using new additive namely synthetic hydrotalcite.
- For fine control of condenser vacuum, it is proposed to install a VFD on cooling tower fan to take care of low day temperatures during night time.

3 In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a.	The details of technology imported	No technology imported during last three years.
b.	The year of import	
c.	Whether the technology has been fully absorbed	
d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

4 The expenditure incurred on Research and Development

a.	Capital	The development work is carried out by the concerned departments on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.
b.	Recurring	
c.	Total	
d.	Total R & D expenditure as a percentage of total turnover	

C. Foreign exchange earnings and outgo:

The Foreign Exchange earning and outgo during the financial year 2017-18 was as under :

Foreign Exchange earnings ₹ Nil

Foreign Exchange outgo ₹ 123119.76 Lakh

Annexure-7 to Directors' Report

Business Responsibility Report 2017-18

[Pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")]

Introduction:

Finolex Industries Limited (FIL) has adopted a stakeholder centric sustainability framework to strategically drive its sustainability initiatives. The disclosures made in this report provide transparent and relevant information on FIL's efforts and performance against the nine principles of Business Responsibility. Adopting best practices, FIL also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L40108PN1981PLC024153
2.	Name of the Company	FINOLEX INDUSTRIES LIMITED
3.	Registered address	Gat No.399, Village Urse, Taluka Maval, District Pune 410 506 Maharashtra State, India.
4.	Website	www.finolexwater.com
5.	Email id	investors@finolexind.com
6.	Financial year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 20131-PVC 22209-PVC Pipes & Fittings
8.	Three key products/services of the Company (as in balance sheet)	<ul style="list-style-type: none">• PVC• PVC Pipes & Fittings• Power
9(i).	Number of international locations	Nil
9(ii).	Number of National locations	3 manufacturing units in India at Ratnagiri and Urse in Maharashtra State and Masar in Gujarat State
10.	Markets served by the Company – Local/State/National/International	National: Pan India

Section B: Financial Details of the Company

1.	Paid up capital (₹ Lakh)	12,409.54
2.	Total turnover (₹ Lakh)	2,83,140.60
3.	Total profit after taxes (₹ Lakh)	29,854.48
4.	Total Spending of Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Budget: ₹ 608.49 Lakh i.e. 2% (based on average net profits of last 3 financial years computed as per Section 198 of the Companies Act, 2013). Actual: ₹ 848.55 Lakh
5.	List of CSR activities in which expenditure in above 4 has been incurred	The major areas in which CSR expenditure has been incurred include on : Health Care, Education. Water Conservation and Environment.

Section C: Other details

1.	Does the Company have any Subsidiary Company / Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participating in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D (1) : Business Responsibility Information

1.a.	Director responsible for implementation of BR policies, Director Identification Number (DIN)	01874086
	Director responsible for implementation of BR policies (Name)	Mr. Sanjay S. Math
	Director responsible for implementation of BR policies (Designation)	Managing Director
1.b.	BR Head (DIN, if applicable)	01874086
	BR Head (Name)	Mr. Sanjay S. Math
	BR Head (Designation)	Managing Director
	BR Head (Telephone number)	+91-2352-0238027-30
	BR Head (email id)	investors@finolexind.com

Section D (2) (a): BR Information- Principle-wise (as per NVGs) BR Policy/Policies (Yes/No) #

<div>Principle 1</div> <div>Policy on Ethics, Transparency and Accountability</div>	<div>Principle 2</div> <div>Policy for providing goods and services that are safe, and contribute to sustainability throughout their life cycle</div>	<div>Principle 3</div> <div>HR Policies for promoting the wellbeing of all employees</div>
<div>Principle 4</div> <div>Protection of all stakeholders</div>	<div>Principle 5</div> <div>Respect and Promotion of Human Rights</div>	<div>Principle 6</div> <div>Safety Health and Environment Policy</div>
<div>Principle 7</div> <div>Business when engaged in influencing public and regulatory policy should do so in responsible manner.</div>	<div>Principle 8</div> <div>Policy on Corporate Social Responsibility</div>	<div>Principle 9</div> <div>Provide value to the customers and consumers in a responsible manner</div>

Section D (2) (a): BR Information- Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for...#	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national /international standards? If yes, specify?	Yes	Yes Bureau of Indian standards (BIS)	Yes	Yes This policy conforms to guidelines of Companies Act, 2013	Yes	Yes	Yes	Yes	Yes
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	<p>The following policies are available on FIL's website www.finolexwater.com</p> <ul style="list-style-type: none"> • Policy on Sexual Harassment of Women at the Workplace • Whistle Blower Policy • Corporate Social Responsibility Policy • Nomination and Remuneration Policy • Related Party Transactions Policy • Policy on Board Diversity • Policy on Material Subsidiaries • Policy for determining materiality disclosures • Policy for preservation of documents • Code of Fair Disclosure and Conduct • Code of Conduct for Directors and Senior Management • Safety, Health and Environment Policy <p>The remaining policies being internal documents are only available to the respective stakeholders</p>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the company have an in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The respective departmental (functional) heads are responsible for effective implementation of the policies. The Compliance/ Legal Department provides guidance in the adherence to implementation of the policies as and when required.								

Section D 2 (b): If the answer to the question at serial number 1 against any principle is 'No', please explain why : (Tick up to 2 options) Not applicable

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on the specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have the financial/manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Other reasons (Please specify)	-	-	-	-	-	-	-	-	-

Principle-wise Index

Section D (3): Governance related to Business Responsibility (BR)

3.a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year	BR updation and upgradation is a continuous process. The management reviews and monitors the performance of the BR. The Board of Directors reviews the BR once a year.
3.b.	Does the Company publish a BR or a Sustainability Report? Is there a hyperlink to view the report? How frequently it is published?	BR Report Frequency: Annual BRR for the year 2017-18 is available at FIL's website at http://finolexwater.com/wp-content/investors/compliance-report/

Section E: Principle-Wise Performance

Principle No.	Description	Reported
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs / Others?	Yes.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage were satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company received complaints from 24 investors during the year 2017-18. There were no complaints pending from the investors at the beginning of the year 2017-18. All 24 complaints received during the year were redressed satisfactorily.

Principle No.	Description	Reported
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. (A) PVC (B) PVC Pipes and Fittings (C) Power	The Company is constantly taking efforts to achieve high standards towards the environment and social concerns. The manufacturing process and end use of the products are environment friendly and comply with applicable environment norms.
2.2	For each product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product (optional): Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Has reduction during usage by consumers (energy, water) been achieved since the previous year?	The production processes of the Company are cost effective and use the scarce resources economically.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. The PVC production of the Company is mainly captively consumed. The Company has taken various steps to minimize transportation cost. The Company continuously exercises and practices the recycling and reusing of waste.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. The Company has a policy of procuring goods and services from nearby suitable sources of supply. The Company ensures that it engages local villagers and small businesses around its plants in a variety of productive employment, especially through hiring vehicles, handling material, housekeeping and waste-handling contracts.
2.5	Does the company have a mechanism to recycle products and waste? If yes what percentage of recycled products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company has successfully achieved its goal for zero discharge of its treated effluent outside the Ratnagiri plant, partly by recycling it back in the system and by using the remaining for irrigation of tree plantation within the plant premises. The Pipes and Fittings manufacturing plants do not generate any effluents and are free from pollution. (Zero Effluent discharge, Effluent treatment plant, Effluent recycle plant, tree plantation etc.)
3.1	Please indicate the Total number of employees	There were 1288 permanent employees on the rolls of the Company as on 31st March, 2018.
3.2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	1960
3.3	Please indicate the number of permanent women employees	There were 29 permanent women employees on the Company's payroll as on 31st March, 2018.
3.4	Please indicate the number of permanent employees with disabilities	NIL
3.5	Do you have an employee association that is recognized by the management	Yes. <ul style="list-style-type: none"> • Finolex Kamgar Sanghatana for Ratnagiri plant • Finolex Pipes Employees Union for Urse plant

Principle No.	Description	Reported	
3.6	What percentage of your permanent employees are members of this recognized employee association?	16.54 %	
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL	
	No. Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1 Child labour/forced labour/involuntary labour	NIL	NIL
	2 Sexual harassment	NIL	NIL
	3 Discriminatory employment	NIL	NIL
3.8	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?	As a part of process safety management, all employees are covered under training. The training is a continuous process.	
(a)	Permanent Employees	86 %	
(b)	Permanent Woman Employees	86 %	
(c)	Casual/Temporary/Contractual Employees	90 %	
(d)	Employees with Disabilities	NIL	
4.1	Has the company mapped its internal and external stakeholders? Yes/No	Yes	
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	All the stakeholders are important to the Company. It has internal processes to balance their expectations.	
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making safe drinking water available, promoting education, including vocational skills so that women can be better equipped to work towards being financial independent.	
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	All aspects of human rights are included in the Company's policy. The Company encourages the sharing of process and product innovations and extending it to benefit the industry and key members of its value chain.	
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company received complaints from 24 investors during the year 2017-18. There were no complaints pending from the investors at the beginning of the year 2017-18. All 24 complaints received during the year were redressed satisfactorily.	
6.1	Does the policy related to Principle 6 cover only the company or does it extend to the Group / Joint Ventures/Suppliers/ Contractors/ NGOs/others.	The Company's environment, health and safety (EHS) policy covers the entire Company.	

Principle No.	Description	Reported
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for the webpage etc.	Yes. The Company is compliant with applicable pollution norms.
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes
6.4	Does the company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company strives to minimize the impact of its operations and ensures in uses of natural resources in a responsible manner. Furthermore, the Company is committed to preserving the environment.
6.5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for web page etc.	The Company is committed to preserving the environment.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The return/ reports are submitted to the authorities from time to time.
6.7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Company is the member of the following chambers: 1. Mahratta Chamber of Commerce, Industries and Agriculture 2. Indo-American Chamber of Commerce 3. Indo-German Chamber of Commerce 4. Indian Merchants' Chamber 5. Federation of Indian Chamber of Commerce and Industry.
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No.
8.1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company has undertaken various projects in the following areas: drives to eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, promoting education including vocation skills especially among children and women promoting women empowerment to better equip to work and to be financially independent and measures for reducing inequalities faced by socially and economically backward groups and rural development.

Principle No.	Description	Reported
8.2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	The programmes/projects undertaken by the Company itself and also in association with it's CSR partner viz. Mukul Madhav Foundation.
8.3	Have you done any impact assessment of your initiative?	The Company has process of reviewing its CSR initiatives through internal arrangement and guidance of CSR committee and its CSR partner Mukul Madhav Foundation.
8.4	What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.	During the financial year 2017-18, the Company has spent ₹ 848.55 lakhs mainly in the area of Health Care, Education, Water Conservation and Environment.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the Company continues to support initiatives to provide medical care needs necessary for children and villagers. Multiple interactions are held with communities through village meetings, meetings with local administration and officials from the respective departments to understand the primary necessities. The Company encourages regular feedback from the beneficiaries to continuously improve facilities and specialized services in locations where there is a demand.
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No major complaints/cases are pending at the end of the financial year.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	All mandatory information as per local laws is displayed on the product along with additional information on the usage of the product.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No.
9.4	Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes. The customer satisfaction survey is carried out by the Company from time to time.

Annexure-8 to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	Please refer Directors Report and weblink mentioned therein
2	Average net profit of the Company for last three financial years (₹ in Lakh)	30,424.61
3	Prescribed CSR expenditure (i.e. two percent of the amount mentioned in item 2 above) (₹ in Lakh)	608.49
4	Details of CSR spent during the financial year (₹ in Lakh):	
	Total amount spent for the financial year	848.55
	Amount unspent, if any	-
	Manner in which the amount spent during the financial year	

Details of Amount Spent on CSR Activities During the financial year 2017-18

Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR Project/Nature of Activity	Budget for the F.Y. 2017-18	Actual expenditure for F.Y. 2017-18
					₹ in Lakh	
(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water						
1	(i)	Pune	Mukul Madhav Foundation	Expenses towards Medical equipment, Digestive centre, waiting area, 2D Echo machine at Sassoon General Hospital	144.27	257.44
2	(i)	Kolhapur	Mukul Madhav Foundation	Medical treatment expenses at Sawali day care centre	25.00	25.00
3	(i)	Pune, Mumbai, Kolkatta, Bangalore, Chennai, Ratnagiri	Mukul Madhav Foundation	Financial assistance to patients at various hospitals, medical treatment to underprivileged and expenses for health awarress on Vitilgo (program by Shweta Association)	55.00	43.41
4	(i)	Pune	Mukul Madhav Foundation	Expenditure on cataract surgeries, Sticks for blind men and wheel chairs	16.00	10.12
5	(i)	Ratnagiri, Umbraj, Sonale, Masar	Mukul Madhav Foundation	Financial assistance for sanitation facilities (toilets).	62.60	75.20
6	(i)	Ratnagiri, Pune, Wai-Satara, Pali, Shirwal	Mukul Madhav Foundation	Expenses towards medical camps and speech therapy	24.00	11.93
7	(i)	Ratnagiri, Malkapur	Mukul Madhav Foundation	Expenses towards physiotherapy sessions	5.00	2.17

Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR Project/Nature of Activity	Budget for the F.Y. 2017-18	Actual expenditure for F.Y. 2017-18
					₹ in Lakh	
8	(i)	Pune, Ratnagiri	Mukul Madhav Foundation	Financial assistance for purchase of medical equipment at KEM hospital, Leprosy Home and Anadgram	20.75	1.05
9	(i)	Pune, Ratnagiri	Mukul Madhav Foundation	Supply of food grains to Old age homes and handicapped childrens through NGO's	13.50	15.50
10	(i)	Pune	Mukul Madhav Foundation	Expenditure for maintainance of Sonali ward at KEM Hospital	3.60	0.60
11	(i)	Masar, Ratnagiri, Baramati	Mukul Madhav Foundation	Expenses for Government's Swajaldhara Scheme, Water tanker supply, Waingani and other repairs and Aquaguard RO water systems	6.90	9.20
12	(i)	Pune, Ratnagiri, Masar, Satara	Mukul Madhav Foundation	Expenditure on film festival- mental illness programme	6.25	4.63
13	(i)	Pune, Ratnagiri	Mukul Madhav Foundation	Cochlear Implant Surgeries at Indorewala Hospital	20.00	0.91
14	(i)	Ratnagiri	Mukul Madhav Foundation	Mammography Camps at Parkar Hospital	11.05	6.99
15	(i)	Satara, Sonale, Pune	Mukul Madhav Foundation	Expenses for assesment camps for patients of Cerebral Palsy & Programme with RCPCH	32.54	9.38
16	(i)	Pune	Mukul Madhav Foundation	Expenses for upgrading and developing NICU at Rajiv Gandhi Hospital & Sonawane Hospital	253.96	192.63
				Sub Total under (i)	700.42	666.16

(ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects

17	(ii)	Pune, Ratnagiri, Masar	Mukul Madhav Foundation	Financial assistance to poor & deserving students at various schools	50.00	41.66
18	(ii)	Sangli, Ratnagiri, Masar, Panchgani, Abhor, Mahabaleshwar	Mukul Madhav Foundation	Donation of educational equipment like science lab equipment etc. and providing and maintaining infrastructure of Schools	46.26	79.64
19	(ii)	Ratnagiri	Mukul Madhav Foundation	Expenses towards sewing (stiching) classes	14.30	0.89
20	(ii)	Pune, Ratnagiri, Masar	Mukul Madhav Foundation	Expenses for Blamahotsav (Childrens Day)- Sabri Pratisthan	1.00	1.00
				Sub Total under (ii)	111.56	123.19

Sr. No.	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the state and district where projects or programs undertaken	Name/ details of the implementing agency	CSR Project/Nature of Activity	Budget for the F.Y. 2017-18	Actual expenditure for F.Y. 2017-18
					₹ in Lakh	
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups						
21	(iii)	Ratnagiri	Mukul Madhav Foundation	Financial assistance to Zilla Sainik Welfare Fund	—	0.30
22	(iii)	Pune	Mukul Madhav Foundation	Awarness for Cancer patients at Anadmayee Ashram on yoga day	0.75	0.09
23	(iii)	Panchagani, Pune, Sonale	Mukul Madhav Foundation	Distribution of Sweaters, Buckets, Mugs, Apperals, Gloves, Leather belts etc.	—	0.73
24	(iii)	Ratnagiri	Mukul Madhav Foundation	Expenses towards Madhushopee, Bachat Gat Exhibition on International Women's Day	—	0.55
25	(iii)	Wadgaon	Mukul Madhav Foundation	Infrastructure expenses at ZP school, Wadgaon Anand	3.00	2.97
				Sub Total under (iii)	3.75	4.64
(iv) Ensuring environmantal sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water						
26	(iv)	Ratnagiri	Mukul Madhav Foundation	Expense for cleanliness drive	1.50	3.01
27	(iv)	Ratnagiri	Mukul Madhav Foundation	Expenses towards purchase of Trees for plantation, Horticulture	1.40	3.47
28	(iv)	Ratnagiri	Mukul Madhav Foundation	Financial assistance for National Solar Vehicle		3.00
				Sub Total under Schedule (iv)	2.90	9.48
(vii) Training to promote rural sports, nationality recognized sports, paralympic sports and olympic sports						
29	(vii)	Ratnagiri	Mukul Madhav Foundation	Financial assistance to olympic player		0.15
				Sub Total under (vii)		0.15
(x) Rural development projects						
30	(x)	Masar, Rede Village, Solapur, Konbavi-Sangli, Wadgaon, Kolambe	Mukul Madhav Foundation	Expenses towards rain water harvesting, cleaning of river and water reservoir, enhancing water storage capacity, water supply and conservation project and for other utility services	53.35	38.79
31	(x)	Kasop-Shirambadvadi	Mukul Madhav Foundation	Seeds supply to Farmers		0.20
32	(x)	Abhor Village, Gametha village	Mukul Madhav Foundation	Financial assistance for LED lights		5.94
				Sub Total under (x)	53.35	44.93
				Grand Total (i)+(ii)+(iii)+(iv)+(vii)+(x)	871.98	848.55

Responsibility statement

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of the Corporate Social Responsibility (CSR) Policy, is in compliance with the CSR objectives and policy of the Company.

Sanjay S. Math

Managing Director
DIN: 01874086
Member, CSR Committee

Prakash P. Chhabria

Executive Chairman
DIN: 00016017
Chairman, CSR Committee

Place: Pune

Date: 23rd May, 2018

Corporate Governance

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To,

The Members of Finolex Industries Limited

We have examined the compliance of conditions of corporate governance by Finolex Industries Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2018 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit

nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner

Place: Pune
Date: 23rd May, 2018

FCS No: 1321
C P No: 965

Compliance report for the year 2017-2018

1. Company's philosophy on code of governance:

The Company is committed and always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as:

- Fair and transparent business practices
- Effective management control by Board
- An optimum combination of promoter, executive, independent and women directors on the Board
- Accountability for performance
- Monitoring of executive performance by the Board
- Compliance of laws
- Transparent and timely disclosure of financial management information and performance.

The Company believes that adherence to high standards of corporate governance is essential for sustained corporate growth.

2. Board of Directors ("the Board"):

Composition and category of directors

The Board of your Company is comprised of 11 directors. Three executive directors, one woman non-executive and non-independent director, one non-executive and non-independent director and six non-executive independent directors.

The Board consists of three executive directors. Mr. Prakash P. Chhabria is Executive Chairman from the promoter group of the Company, Mr. Sanjay S. Math is Managing Director and Mr. Anil V. Whabi, is Director – Finance & CFO in the category of the executive directors.

Mrs. Ritu P. Chhabria is woman (non-executive and non-independent) director and from the promoter group.

Mr. Saurabh S. Dhanorkar is non-executive and non-independent additional director with effect from 11th August, 2017.

The Board is represented by six non-executive independent directors namely Mr. Sanjay K. Asher, Mr. Kanaiyalal N. Atmaramani, Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak.

The details of the directors' attendance at the meetings of the Board, other committees of the Board, annual general meeting held during the financial year 2017-2018, committee positions held in the various committees of the Company and directorships and committee positions held by the directors in other companies are given below in Table 1.

Table 1										
Mr.	Mr. Sanjay K. Asher	Mr. Kanaylal N. Atmaramani	Mrs Ritu P. Chhabria	Mr. Dara N.Damania	Mr. Anil Whabi	Mr. Shrikishna N. Inamdar	Mr. Prabhakar D. Karandikar	Mr. Sanjay S. Math	Dr. Sunil U. Pathak	Mr.Saurabh S. Dhanorkar
Executive Chairman (Whole-time Director)	Independent Director	Independent Director	Non-Independent Non-Executive Director	Independent Director	Director - Finance (Whole-time Director)	Independent Director	Independent Director	Managing Director (Whole-time Director)	Independent Director	Non-independent Non-Executive Director (w.e.f. 11.8.2017)
Board Meetings attendance during the year 2017-2018										
Attendance	5	3	4	5	5	5	5	4	5	4
Attendance at thirty sixth annual general meeting held on 11th August, 2017										
AGM attended	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA
Committee positions held in Finolex Industries Limited and attendance during the financial year 2017-18										
Audit Committee										
Members hip	Not Member	Member	Not Member	Member	Not Member	Member	Member	Not Member	Member	Member
Attendance	NA	2	NA	4	NA	4	4	NA	4	2
Stakeholders' Relationship Committee										
Membership	Not Member	Member	Not Member	Member	Not Member	Member	Member	Not Member	Member	Member
Attendance	4	2	NA	4	NA	4	4	NA	4	2
Nomination and Remuneration Committee										
Membership	Member	Member	Not Member	Member	Not Member	Member	Member	Not Member	Member	Member
Attendance	NA	3	NA	5	NA	5	5	NA	4	2
Corporate Social Responsibility Committee										
Membership	Not Member	Not Member	Member	Not Member	Not Member	Not Member	Not Member	Member	Member	Member
Attendance	4	NA	4	NA	NA	NA	NA	4	4	2

Table 1

	Mr. Prakash P. Chhabria	Mr. Sanjay K. Asher	Mr. Kanaivalal N. Atmaramani	Mrs. Ritu P. Chhabria	Mr. Dara N.Damania	Mr. Anil Whabi	Mr. Shrikrishna N. Inamdar	Mr. Prabhakar D. Karandikar	Mr. Sanjay S. Math	Dr. Sunil U. Pathak	Mr.Saurabh S. Dhanorkar
	Executive Chairman (Whole-time Director)	Independent Director	Independent Director	Non-independent Non-Executive Director	Independent Director	Director - Finance (Whole-time Director)	Independent Director	Independent Director	Managing Director (Whole-time Director)	Independent Director	Non-independent Non-Executive Director (w.e.f. 11.8.2017)
Risk Management Committee											
Membership	Member	Not Member	Not Member	Not Member	Not Member	Member	Not Member	Not Member	Member	Member	Member
Attendance	No meeting was held during the financial year 2017-2018										
Finance Committee											
Membership	Member	Member	Not Member	Not Member	Not Member	Member	Not Member	Not Member	Member	Member	Member
Attendance	No meeting was held during the financial year 2017-2018										
Share Transfer Committee											
Membership	Member	Not Member	Not Member	Not Member	Not Member	Member	Not Member	Member	Member	Member	Member
Attendance	16	NA	NA	NA	NA	21	NA	10	6	11	7
Directorships in other companies											
Chairman	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Director	6	18	2	1	5	1	5	9	Nil	1	Nil
Committee position in other companies											
Chairman	Nil	5	Nil	Nil	6	Nil	1	1	Nil	Nil	Nil
Member	Nil	16	Nil	Nil	13	Nil	5	13	Nil	Nil	Nil
No. of shares held in the Company (₹ 10/- each)	170749	0	0	4450	900	Nil	2000	Nil	3000	300	5381

Notes:

- * Outside directorships include directorships in public and private limited companies.
- * None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed companies.
- * Mr. Saurabh S. Dhanorkar has been appointed as non-executive and non-independent additional director with effect from 11th August, 2017.
- * The necessary disclosures regarding Committee positions have been made by all the Directors. As required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes membership/chairmanship of audit committee and stakeholder relationship committee (listed and unlisted public companies).
- * The composition of the Board of Directors is in accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Board Meetings held during the year

During the year 2017-2018, the Board of Directors met 5 (five) times viz. 26th May, 2017, 11th August, 2017, 23rd September, 2017, 10th November, 2017 and 12th February, 2018. The time gap between two meetings was not more than 120 days.

Disclosure of relationships between directors inter-se

None of the directors are relatives of each other except Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P. Chhabria, Woman non-executive and non-independent director who are related to each other as husband and wife.

No of shares and convertible instruments held by non-executive directors

The Company does not have any convertible instruments.

The details of shares held by the executive and non-executive directors are given in Table 1.

Web link where details of familiarization programmes imparted to independent directors is disclosed at

<http://www.finolexwater.com/investors/compliance-report/>

Audit Committee

Composition

- At present, the Audit Committee (the "Committee") consisted 5 (five) independent directors viz. Mr. Shrikrishna N. Inamdar (Chairman of the Committee), Mr. Kanaiyalal N. Atmaramani, Mr. Dara N. Damania, Mr. Prabhakar D. Karandikar, Dr. Sunil Pathak and 1 (one) non-independent and non-executive director viz. Mr. Saurabh S. Dhanorkar.
- All members of the Audit Committee are financially literate and have accounting or related financial management expertise.
- Required information for review was placed before the Audit Committee meetings held during the year.

Meetings and attendance during the year

During the year 2017-18, the Audit Committee met 4 (four) times viz. 26th May, 2017, 11th August, 2017, 10th November, 2017 and 12th February, 2018.

The details of the Directors' attendance at the Audit Committee meetings during the year are given in Table 1.

Ms. Vidya Shembekar who was the Company Secretary resigned from the services of the Company with effect from the close of business hours of 5th October, 2017 and in her place, Mr. Devang Trivedi was appointed as General Manager (Legal) & Company Secretary of the Company with

effect from 12th February, 2018. Mr. Devang Trivedi acts as secretary to the committee.

Brief description of terms of reference

Terms of reference and other requirements of the Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Investigate into any matter the Board has referred. For this purpose, it will have the power to obtain professional advice from external sources, and have full access to the information contained in the records of the Company.
- Oversight of the Company's financial reporting process and the disclosure

of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Reviewing, with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report;
- Reviewing, with the management, the statement of uses / application of funds raised through a public issue, rights issue or preferential issue etc., reviewing the statement of funds utilized for the purposes other than those stated in the offer document/prospectus / notice, reviewing the report submitted by the monitoring agency and monitoring the

utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing with the management, the performance of statutory and internal auditors, the adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividend) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the Chief Financial Officer (the CFO") (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications,

experience and background etc. of the candidate; and

- Carrying out any other function as may be delegated to it by the Board.

Nomination and Remuneration Committee

Composition

The Committee presently comprises 7 (seven) directors, 6 (six) of them are independent, namely Mr. Shrikrishna N. Inamdar (Chairman of the Committee), Mr. Sanjay K. Asher, Mr. Kanaiyalal N. Atmaramani, Mr. Dara N. Damania, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak and 1 (one) non-independent director namely Mr. Saurabh S. Dhanorkar.

Brief description of terms of reference

The terms of reference of Nomination and Remuneration Committee cover all the areas mentioned in Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Nomination and Remuneration Committee is to assist the Board of the Company and its controlled entities in fulfilling its responsibilities to members by:

- considering the skill sets required by the Board, and to ensure that such people contribute to the decisions and policies that will eventually define the company. The Committee also considers qualifications, positive attributes, areas of expertise and the number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision.

- ensuring that the Board of Directors is comprised of individuals who are the best able to discharge the responsibilities of the Directors in consonance with the Companies Act, 2013 and the norms of corporate governance; and
- ensuring that the nomination process and remuneration policies are equitable and transparent.
- The responsibilities of the Committee include:
 - formulating a criteria for determining qualifications, positive attributes and independence of a Director, and recommending to the Board a policy relating to the appointment and remuneration for the Directors, key managerial personnel and other employees;
 - formulating a criteria for evaluation of performance of Independent Directors and the Board of Directors;
 - devising a policy that ensures the Board consist of diverse individuals;
 - identifying persons who are qualified to become Directors and who may be appointed as part of the 'senior management' of the Company in accordance with the criteria laid down, and recommend to the Board the appointment and removal of such personnel; and
 - recommending extension or continuation of the term of appointment of the Independent Directors based on evaluation of their performance.

Meetings and attendance during the year

During the year, five meetings of the Nomination and Remuneration Committee were held on 26th May, 2017, 24th June, 2017, 11th August, 2017, 10th November, 2017 and 20th January, 2018. The attendance details are given in Table 1.

Nomination and Remuneration Policy

The nomination and remuneration policy of the Company on recommendation by the Nomination and Remuneration Committee was approved by the Board and the same is in place. The same is annexed as Annexure 1 of the Directors' Report. It is given on the Company's website www.finolexwater.com at link: www.finolexwater.com/policies-code-of-conduct. The remuneration of the Directors for the year 2017-18, is based on the said policy.

Remuneration of Directors

None of the non-executive directors have any pecuniary relationship or transaction vis-à-vis the Company. Mr. Prakash P. Chhabria, Executive Chairman and Mrs. Ritu P. Chhabria, non-executive and non-independent Director are related to each other as husband and wife.

Criteria of making payment to non-executive directors

The criteria of making payment to non-executive directors is given on the Company's website at link: www.finolexwater.com/policies-code-of-conduct

Details of remuneration paid to the executive directors for the financial year 2017-2018, are given below:

Particulars	Mr. Prakash P. Chhabria, Executive Chairman (₹)	Mr. Sanjay S. Math, Managing Director (₹)	Mr. Anil V. Whabi, Director -Finance (₹)
Salary and Allowance	23656584	10949282	10437287
Contribution of PF	1426906	535565	417529
Superannuation/ Special allowance	0	0	0
Gratuity fund	430829	146851	112272
Performance incentive/ Bonus	2378173	892608	693661
Total	27892492	12524306	11660749
Commission payable	68000000	12000000	6000000
Notice period	6 months	3 months	3 months
Service Contract	Five years	Five years	Five years
Severance Fees	Not Applicable	Not Applicable	Not Applicable

The details of remuneration paid/to be paid to the non-executive directors and number of shares held by them are given below:

Sr. No.	Name	Remuneration (₹ in lakh)		No. of Shares held
		Commission	Sitting fees	
1	Mr. Sanjay K. Asher	11.25	2.80	Nil
2	Mr. Kanaiyalal N. Atmaramani	11.25	2.60	Nil
3	Mrs. Ritu P. Chhabria	11.25	2.40	4450
4	Mr. Dara N. Damania	11.25	4.60	900
5	Mr. Saurabh S. Dhanorkar	11.25	4.60	5381
6	Mr. Shrikrishna N. Inamdar	15.00	4.60	2000
7	Mr. Prabhakar D. Karandikar	11.25	6.60	Nil
8	Dr. Sunil U. Pathak	11.25	7.40	300

The Non-executive Directors do not receive any remuneration from the Company except for the sitting fees and commission as approved by the Board from time to time. All independent directors are experts in their respective fields and their services are beneficial to the Company.

No stock options were issued during the financial year 2017-2018.

Stakeholders' Relationship Committee

Composition

The constitution of the Stakeholders' Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

It comprises 7 (seven) members out of which 5 (five) are independent directors viz. Mr. Kanaiyalal N. Atmaramani (Chairman of the Committee), Mr. Dara N. Damania, Mr. Shrikrishna N. Inamdar, Mr. Prabhakar D. Karandikar and Dr. Sunil U. Pathak. The other two members are Mr. Prakash P. Chhabria, the Executive Chairman of the Company and Mr. Saurabh S. Dhanorkar (non-executive & non-independent director).

Mr. Devang Trivedi, Company Secretary is the compliance officer of the Company.

Brief description of terms of reference

The terms of reference of the Committee are:

- To resolve grievances of the stakeholders in relation to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc;
- To review and note that the certificate has been received from Practising Company Secretary in compliance of Regulation 40 (9) to (11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- To review half yearly report of the in-house Share Transfer Agent in terms of SEBI circular No.CIR/MIRSD/7/2012 dated 5th July, 2012;
- To review and note the status of Investor Complaints;
- To review and note the status of unclaimed dividends; and
- To take necessary action on the matters delegated by the Board from time to time.

During 2017-18, four (4) meetings of the Stakeholders' Relationship Committee were held viz. 26th May, 2017, 11th August, 2017,

10th November, 2017 and 12th February, 2018. The attendance for the same is given in Table 1.

Details of shareholders' complaints during the year 2017-2018

No. of complaints received	No. of complaints resolved to the satisfaction of complainants	No. of pending complaints at the end of financial year i.e. 31st March, 2018
24	24	0

Risk Management Committee

Composition

The Board at its meeting held on 26th July, 2014 has constituted the Risk Management Committee. The Committee at present, comprises of 5 (five) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Sanjay S. Math, Mr. Anil Whabi, Mr. Saurabh S. Dhanorkar and Dr. Sunil U. Pathak.

In view of the Company not being included in top 100 listed entities as on 31st March, 2018, the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company.

Brief description of terms of reference

Terms of reference of the Risk Management Committee are as follows:

- a. The Risk Management Committee (RMC) shall have at least three directors or members of the Committee.
- b. RMC shall review the risk management plan and policy at its meeting and inform the Board about the risk assessment and minimization procedure.
- c. The Board may delegate monitoring and reviewing of the risk management

plan and such other functions as it deems fit to the RMC and/or the Executive Chairman and/or Managing Director as may be necessary for effective implementation of the Risk Management Plan/Policy.

- d. To take necessary actions on the matters delegated by the Board from time to time.

Meeting and Attendance

No meeting of the Risk Management Committee was held during the year 2017-18.

The Audit Committee, however, periodically reviews the risk identification and its mitigation.

Corporate Social Responsibility ("CSR") Committee

Composition

The Company has constituted the CSR Committee as required under Section 135 of the Companies Act, 2013.

The CSR Committee consists of 5 (five) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mrs. Ritu P. Chhabria, Mr. Sanjay S. Math, Dr. Sunil U. Pathak and Mr. Saurabh S. Dhanorkar (w.e.f. 11th August, 2017).

Meetings and attendance during the year

During the year 2017-18, the CSR Committee met four times i.e. on 26th May, 2017, 11th August, 2017, 10th November, 2017 and 12th February, 2018.

The details of attendance of CSR meetings by the Directors during the year is given in Table 1.

Brief description of terms of reference

Terms of reference of the Corporate Social

Responsibility Committee are as follows:

- a) Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (the "Act") as amended.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in above.
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Monitor and ensure that the surplus arising out of CSR projects or programs or activities shall not form part of the business profits of a Company.
- e) Ensure that all the income generated by way of CSR activities is credited back to the CSR corpus.
- f) Review and comply with the requirements of the provisions of the Act and rules made under and periodical disclosure requirements.

Share Transfer Committee

Composition

The Committee comprised of 6 (six) directors viz. Mr. Prakash P. Chhabria (Chairman of the Committee), Mr. Prabhakar D. Karandikar, Dr. Sunil U. Pathak, Mr. Sanjay S. Math, Mr. Anil V. Whabi and Mr. Saurabh S. Dhanorkar (w.e.f. 11th August, 2017).

Brief description of terms of reference

- Consider and approve the transfer and transmission of securities i.e. shares, debentures and other security documents;

- Consider and approve issue of duplicate share certificates;
- Consider and approve split, consolidation of share/debenture certificates and issue fresh share certificates and debenture certificates;
- Consider any other assignment as directed by the Board;
- Consider and approve dematerialization and rematerialization of securities; and
- To take necessary actions on the matters delegated by the Board from time to time.

During the year 2017-18, 22 (twenty two) meetings of the Share Transfer Committee were held. The details of attendance of the Share Transfer Committee meetings by the Directors during the year is given in Table 1.

Finance Committee

Composition

The Finance Committee consists of 6 (six) directors viz. Mr. Prakash P. Chhabria, Chairman of the Committee, Mr. Sanjay K. Asher, Dr. Sunil U. Pathak, Mr. Sanjay S. Math, Mr. Anil V. Whabi and Mr. Saurabh S. Dhanorkar (w.e.f. 11th August, 2017).

Brief description of terms of reference

- To consider and review various financial proposals for the financial investments, borrowings and give recommendations to the Audit Committee/Board; and
- To take necessary actions on matters delegated by the Board from time to time.

Meetings and Attendance

No meeting of the Finance Committee was held during the year 2017-2018.

Independent Directors' Meeting

The Independent Directors had a meeting on 12th February, 2018 without the attendance of the Non-Independent Directors and the members of the Management. All the Independent Directors were present at the meeting except Mr. Kanaiyalal N. Atmaramani. At the said Meeting, Independent Directors –

- Reviewed the performance of the Non-Independent Directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the Company, taking into account the views of the Managing Director and Executive Directors.
- Assessed the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Code of Conduct and Ethics

The Company's Code of Conduct provides guidelines to be followed by all members of the Board of Directors and Senior Management to ensure the highest standards of professional conduct. Members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2018 on behalf of themselves and to the best of their knowledge and also on behalf of all the employees reporting to them. The said Code can be viewed on the Company's website at the link: <http://www.finolexwater.com/policies>.

A declaration signed by the Managing Director of the Company to this effect is given below:

Declaration regarding compliance by the Board members and Senior Management Personnel with the Company's Code of Conduct

As required under Regulation 34(3) read with Para D of the Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the

Company. The Code is available on the Company's website.

I further declare that the Company has in respect of the financial year ended 31st March, 2018, received from all the Board Members and Senior Management Personnel of the Company, an affirmation of compliance with the Code, as applicable to them.

For Finolex Industries Limited

Sanjay S. Math

Place: Pune

Managing Director

Date: 12th May, 2018

DIN:01874086

Equity Shares lying in the Suspense Account

In compliance with Para F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information relating to the equity shares lying in the suspense account of the Company, confirms that no shares of the Company are lying in the Suspense Account.

Related Party Disclosures:

In terms of Para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party Disclosure is given in note no. 37 of notes to accounts.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interest of the Company. The Company does not have any subsidiary but has associate companies. Transactions with related parties entered into by the Company are in the normal course of business and at an arm's length basis. The details of

the transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Related Party Transactions policy has been placed on the Company's website at www.finolexwater.com/policies

Disclosures relating to:

1) Accounting Treatment

The Company has complied with all applicable Accounting Standards in the preparation of financial statements pursuant to Schedule III of the Companies Act, 2013. There are no audit qualifications in the Company's financial

statements for the year under review.

2) Compliance with Regulations of capital market

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. There are no instances of non-compliance by the Company on any matters related to capital markets. No penalty or strictures have been imposed on the Company by the Regulatory Authorities or any statutory authority, on any matter related to capital markets, during last three years.

3) Whistle Blower Policy

In line with the best Corporate Governance practices, the Company has put in place a system through which the Directors and employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics without fear of reprisal. The Company has put in place a process by which employees have direct access to the Audit Committee Chairperson.

The Whistle-blower Policy has been displayed on the Company's notice board and is also uploaded on the Company's website at www.finolexwater.com/policies.

4) Managing Director and Chief Financial Officer's certificate

The Managing Director and Chief Financial Officer have furnished a compliance certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5) Policy for determining 'material' subsidiaries

Pursuant to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on material subsidiaries. The policy is available on the Company's website at link <http://www.finolexwater.com/wp-content/uploads/2015/07/ALL-POLICIES-1.pdf>

6) Disclosure of commodity price risks and commodity hedging activities

For the pipes and PVC industry, the prices and costs are linked to and are dependent on:

- a. same underlying commodity (crude oil) and
- b. demand supply for each component in the value chain

Due to strong interdependence, any major change in the price of one input or output, affects the price of the rest of the components in the value chain, albeit with a short time lag. Due to this, margins are only temporarily affected whether positively or negatively, until the price reaches an equilibrium. Generally, over a period of one year, the impact of this price movement gets compensated, and results in normal margins. Hence, the commodity price movements are a temporary risk which do not need to be hedged.

Foreign exchange risk and hedging:

PVC pricing is on import parity and the import parity value of sales of the Company approximately equates the USD payable on a six monthly rolling basis due to which a natural hedge

exists. Hence, the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

7) Compliance or otherwise of any requirement of the Corporate Governance Report

The Company has complied with the requirements of Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These are listed below:

- The discretionary requirements of modified opinion(s) in the audit report, separate posts of the Chairperson and the Chief Executive Officer, reporting of the internal auditor directly to

the Audit Committee of Para E of Schedule II have been adopted.

- Sub-para 2 to 10 of Para C of Schedule V;
- Regulations 17 to 27; and
- Regulation 46(2) (b) to (j)

8) Practicing Company Secretary's Corporate Governance Certificate

The Company has obtained a certificate from M/s. SVD & Associates, practicing Company Secretaries confirming compliance of the conditions of Corporate Governance as stipulated in Para E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate is annexed to this Report.

9) General body meetings:

a) The location and time where last three annual general meetings were held

Year	2014-2015	2015- 2016	2016- 2017
Date of AGM	29/8/2015	11/8/2016	11/8/2017
Time	11.00 a.m.	10.00 a.m.	11.00 a.m.
Place of AGM	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.	Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval Village, Dhamane, Taluka Maval, District Pune 410 506.

b) The details of special resolutions passed in the previous three annual general meetings

Date of AGM	Item of special resolution
29.8.2015	To accord consent to the Board for making offers or invitations to subscribe to secured Non-convertible Debentures on private placement basis in one or more tranches during a period of one year from the date of passing the resolution with in the overall borrowing limits of the Company.
11.8.2016	To accord consent to the Board for making offers or invitations to subscribe to secured Non-convertible Debentures on private placement basis in one or more tranches during a period of one year from the date of passing the resolution with in the overall borrowing limits of the Company.

Date of AGM	Item of special resolution
11.8.2017	To accord consent to the Board for issuing offer(s) or invitation(s) to subscribe to secured Non-Convertible Debentures ("NCDs") for a sum not exceeding ₹ 2,50,00,00,000/- (Rupees Two Hundred Fifty Crores Only) on a private placement basis in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowing limits of the Company, as approved by the members, from time to time.
11.8.2017	To accord consent to the Board for payment of commission to the directors other than managing director or whole time director of the company not exceeding one percent of the net profit or the Company calculated under provisions of Section 198 of the Companies Act, 2013 with a cap of ₹ 2,00,00,000/- (Rupees Two Crore Only) for each financial year commencing from 1st April, 2016.

All resolutions were passed by requisite majority.

c) Any Special resolution passed last year through postal Ballot – details of voting pattern

No special resolution was passed during the year under review through postal ballot.

d) Person who conducted the postal ballot – details of voting pattern

No postal ballot conducted during the year under review.

e) Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution was proposed through postal ballot.

f) Procedure for postal ballot

No special resolution is proposed through postal ballot.

Means of communication:

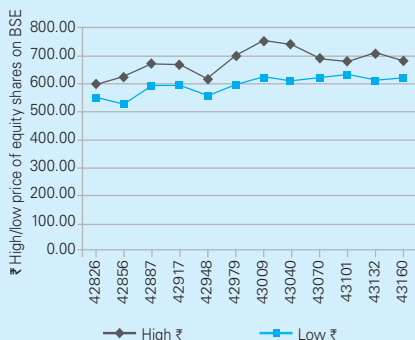
- The quarterly results were published during the year under review in Financial Express and LokSatta leading national and regional newspapers.
- The quarterly results are uploaded on the Company's website www.finolexwater.com and also available on the websites of the stock exchanges i.e. BSE and NSE.
- The official news releases of the Company are displayed on the BSE and NSE websites.
- Presentations made to institutional investors or analysts are available on the Company's website.
- The Management Discussion and Analysis Report is forming part of Annual Report.

10. General shareholder information:

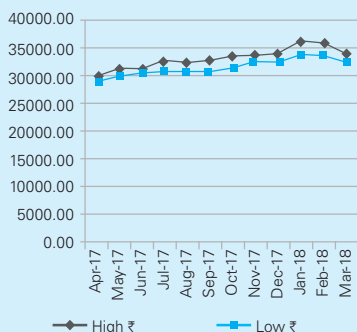
a	Annual general meeting date, time and venue	Date: 29th September, 2018 Time: 11.00 a.m. Venue: Kirkoskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune 410 506.				
b	Financial year	Announcement of quarterly results of 2018-19 & annual general meeting	Quarterly results by 14th August, 2018, 14th November, 2018, 14th February, 2019 and 30th May, 2019 and annual general meeting by end of September, 2019.			
c	Dividend Payment date	8th October, 2018				
d	Book closure period	From 22nd September, 2018 to 29th September, 2018 (both days inclusive)				
e	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of the listing of fees	Equity Shares	Equity Shares			
		National Stock Exchange of India Limited 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051	BSE Limited Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001			
		The Company has paid all due listing fees.				
f	Stock Code:	NSE : Equity- FINPIPE BSE: Equity- 500940/FINOLEXIND				
g	Market Price data of Equity Shares- High, low during each month in last financial year 2017-2018	Month	NSE		BSE	
			High ₹	Low ₹	High ₹	Low ₹
		Apr-17	599.00	554.00	600.00	551.10
		May-17	622.00	551.15	624.00	530.00
		Jun-17	670.50	596.00	673.85	591.00
		Jul-17	670.90	601.15	668.50	595.00
		Aug-17	617.60	560.60	618.00	555.00
		Sep-17	692.80	599.95	699.90	596.60
		Oct-17	756.05	623.00	752.80	626.55
		Nov-17	730.00	609.80	742.00	609.00
		Dec-17	695.00	619.00	694.25	619.75
		Jan-18	678.90	635.00	677.65	633.00
		Feb-18	710.00	621.00	709.90	613.20
		Mar-18	678.90	629.00	679.85	618.00

- h Performance in comparison with broad based indices such as BSE Sensex, CRISIL Index etc.

Monthly high/low price of Company's equity shares on BSE



Monthly high/low price of S&P BSE Sensex



i	In case the securities are suspended from trading the directors report shall explain the reasons thereof.	Not Applicable
j	Registrar to an issue and share transfer agent	In-House Share Transfer Agent (STA) Registered with SEBI Registration no. INR000001765 Investor Relations Centre D 1/10, MIDC, Chinchwad, Pune 411019
k	Share transfer system	The share transfer committee attends to share transfer formalities normally once in a fortnight. Demat requests are confirmed within 15 days from the date of receipt of request, if found in order.

Distribution of shareholding	Category	Total Investors	% of total B	Total Shares	% of total D
	A	B	C	D	E
	Below 500	119021	94.77	16004789	12.90
	Between 501 and 1000	4330	3.45	3173863	2.55
	Between 1001 and 2000	1300	1.04	1860139	1.50
	Between 2001 and 3000	305	0.24	771566	0.62

		Between 3001 and 4000	138	0.11	491051	0.40
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I	Distribution of shareholding	Category	Total Investors	% of total B	Total Shares	% of total D
		A	B	C	D	E
		Between 4001 and 5000	94	0.07	445681	0.36
		Between 5001 and 10000	147	0.12	1095190	0.88
		Above 10000	245	0.20	100253102	80.79
		Total	125580	100.00	124095381	100.00
m	Dematerialization of shares and liquidity	Depository/ Physical		No of shares		% of total shares
		NSDL		63331179		51.03
		CDSL		51784261		41.73
		Physical		8979941		7.24
		Total		124095381		100.00
		Shares are regularly traded on BSE and NSE.				
n	Outstanding GDR, ADR or warrants or convertible instruments, conversion date and likely impact on equity	No such issue made by the Company.				
o	Commodity price risk or foreign exchange risk and hedging activities	The details are included in this report.				
p	Plant locations	<ul style="list-style-type: none">PVC, PVC Pipes and Power Plants: Ranpar – Pawas Road District Ratnagiri 415 616, MaharashtraPVC Pipes and Fittings Plants:<ul style="list-style-type: none">1. Gat No.399, Urse, Taluka Maval, District – Pune 410 506, Maharashtra2. D 1/10 MIDC, Chinchwad, Pune 411019, MaharashtraPVC Pipes Plant: Village Masar, Taluka Padra, District Vadodara 391 421, Gujarat				
q	Address for investors correspondence	Investor Relations Centre D 1/10, MIDC, Chinchwad, Pune 411 019				

11. Other disclosures:

	Disclosure required	
A	Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large	No such transactions
B	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	No such cases
C	Details of establishment of vigil mechanism/whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	Vigil mechanism/whistle blower policy is in place. No personnel have been denied access to the Audit Committee.
D	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	<p>The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The Company has adopted following non-mandatory requirements as specified in Part E or Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <ol style="list-style-type: none"> The Company has an Executive Chairman. During 2017-18, there was no audit qualification in the Auditors' Report on the Company's Financial Statement. The Chairman and Managing Director of the Company are different persons. The internal auditor is a permanent invitee to the audit committee and regularly attends the meetings of the Audit Committee.
E	Web link where policy for determining 'material' subsidiaries is disclosed	www.finolexwater.com/investors/policies-code-of-conduct
F	Web link where policy on dealing with related party transactions is disclosed	www.finolexwater.com/investors/policies-code-of-conduct
G	Disclosure of commodity price risks and commodity hedging activities	The details are included in this report.

12. Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: N/A



Standalone Financial Statements

Independent Auditors' Report

TO THE MEMBERS OF FINOLEX INDUSTRIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of Finolex Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information hereinafter referred to as ("the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A," a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss Statement, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) For our opinion on the internal financial controls with reference to Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed pending litigations and the impact on its financial position - refer note 38.2 to the Standalone Ind AS Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s P.G. BHAGWAT**
Chartered Accountants
Firm's Registration Number:101118W

Abhijeet Bhagwat
Partner
Membership Number:136835

Place: Pune
Date: May 23, 2018

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are being physically verified by the management at regular intervals based on the programme of verification which in our opinion is reasonable. Part of the major fixed assets has been verified by the management in the current year and discrepancies noticed on such physical verification were not material and the same have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory has been conducted by the management during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 in the current year. Accordingly, clause (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanation provided to us, there are no loans, guarantees and security given by the Company, to Directors, covered under the provisions of section 185 of the Companies Act, 2013. According to the information and explanations provided to us, provisions of section 186 of the Companies Act, 2013 have been complied with respect to loans, guarantees, investment and security.
- (v) According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable to it. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (I) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at March 31, 2018, for a period more than six months from

the date they became payable except goods and service tax on customer advances for the month of July 2017 of ₹ 272.35 lakhs which was paid on May 22, 2018.

(b) According to the information and explanation provided to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax value added tax or cess which have not been deposited on account of any dispute except those mentioned below:

Name of the Statute	Nature of Dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	112.41	2013-14	CESTAT
Central Excise Act, 1944	Excise Duty	4,754.72	1996-97, 2000-16	CESTAT
Finance Act, 1994	Service Tax	411.70	December 2005 to December 2007	Deputy Commissioner
		152.84	2008-12, 2014-15	CESTAT
		4.12	2013-14	Assistant Commissioner Appeals
		21.99	April 2015 to December 2015	Commissioner Appeals
		82.56	August 2015 to August 2016	Commissioner

(viii) Based on our audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company did not have debenture holders.

(ix) According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) in the current year.

The Company does not have any term loans in the current year. Accordingly, clause 3 (ix) of the Order for reporting on application of money raised is not applicable to the Company.

(x) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.

(xi) According to the information and explanation provided to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) The Company is not a Nidhi Company and accordingly, clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanation provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s P.G.BHAGWAT**

Chartered Accountants

Firm's Registration Number:101118W

Abhijeet Bhagwat

Partner

Membership Number:136835

Place: Pune

Date: May 23, 2018

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements

under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Finolex Industries Limited ("the Company") as at March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable

financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the

Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financials Reporting

Because of the inherent limitations of internal financial controls over financials reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **M/s P.G.BHAGWAT**

Chartered Accountants

Firm's Registration Number:101118W

Abhijeet Bhagwat

Partner

Membership Number:136835

Place: Pune

Date: May 23, 2018

Standalone Balance Sheet

as at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2018	March 31, 2017
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	88,167.49	85,166.25
b) Capital work-in-progress	3.1	9,034.10	2,174.85
c) Intangible assets	3.2	256.53	346.56
d) Financial assets			
i) Investments	4	148,964.70	116,560.86
ii) Loans	5	4.56	4.62
iii) Other financial assets	6	2,189.45	5,732.70
(e) Other non-current assets	7	15,905.98	12,616.25
Total non-current assets		264,522.81	222,602.09
2 Current assets			
(a) Inventories	8	61,155.40	55,740.03
(b) Financial assets			
i) Investments	9	6,559.20	5,655.79
ii) Trade receivables	10	4,313.93	5,249.29
iii) Cash and cash equivalents	11.1	681.73	550.77
iv) Other bank balances	11.2	1,660.93	1,083.67
v) Loans	12	21.40	16.76
vi) Other financial assets	13	4,206.59	24.69
(c) Other current assets	14	2,211.21	4,606.43
Total current assets		80,810.39	72,927.43
3 Non-current assets held for sale	15	119.24	-
Total assets		345,452.44	295,529.52
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	16	12,409.54	12,409.54
(b) Other equity	17	264,047.33	216,729.71
Total equity		276,456.87	229,139.25
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
i) Other financial liabilities	18	32.39	34.90
(b) Provisions	19.1	1,343.48	1,114.63
(c) Deferred tax liabilities (net)	25	12,068.49	13,161.07
(d) Government grants	20	6,444.50	6,134.62
Total non-current liabilities		19,888.86	20,445.22
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	10,070.78	9,418.47
ii) Trade payables	22	25,047.41	22,747.86
iii) Other financial liabilities	23	7,024.52	5,550.84
(b) Other current liabilities	24	3,973.25	7,275.67
(c) Provisions	19.2	142.60	123.06
(d) Current tax liability (net)		2,219.15	283.82
(e) Government grants	20	629.00	545.33
Total current liabilities		49,106.71	45,945.05
Total liabilities		68,995.57	66,390.27
Total equity and liabilities		345,452.44	295,529.52
Corporate information	1		
Significant accounting policies	2		
Other notes	3 to 46		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

For **FINOLEX INDUSTRIES LIMITED**

Sanjay Asher

DIN: 00008221

Ritu P. Chhabria

DIN: 00062144

Dara N. Damania

DIN: 00403834

Shrikrishna N. Inamdar

DIN: 00025180

Prabhakar D. Karandikar

DIN: 02142050

Dr. Sunil U. Pathak

DIN: 00049315

Saurabh S. Dhanorkar

DIN: 00011322

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Standalone Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2018	March 31, 2017
Income			
I Revenue from Operations	26	283,140.60	298,763.70
II Other income	27	2,532.40	2,432.49
III Total Income (I+II)		285,673.00	301,196.19
IV Expenses			
Cost of materials and components consumed	28	181,665.75	166,847.14
Changes in inventories of finished goods and work-in-progress	29	(5,225.75)	(5,890.69)
Excise duty paid		9,361.80	38,527.28
Employee benefits expense	30	11,614.70	10,489.24
Finance costs	31	981.65	1,538.19
Depreciation and amortisation expense	32	6,060.46	5,504.62
Other expenses	33	37,331.32	32,483.99
Total expenses (IV)		241,789.93	249,499.77
V Profit before tax (III-IV)		43,883.07	51,696.42
VI Tax expense			
Current tax	25	14,085.68	15,933.82
(Excess) / short provision of earlier year(s)		(1,088.76)	-
Deferred tax	25	1,031.67	544.66
Total tax expense		14,028.59	16,478.48
VII Profit for the period (V-VI)		29,854.48	35,217.94
VIII Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans gain / (loss)		(133.73)	(109.59)
Income tax effect		46.74	37.93
A(i) Re-measurement of defined benefit plans net off income tax		(86.99)	(71.66)
Equity instruments through OCI gain / (loss)		32,648.49	51,850.02
Income tax effect		2,078.05	105.92
A(ii) Equity instruments through OCI net off income tax		34,726.54	51,955.94
Total Other Comprehensive Income [A(i)+A(ii)]		34,639.55	51,884.28
IX Total Comprehensive Income for the period (VII+VIII)		64,494.03	87,102.22
X Earnings per equity share (for continuing operation) having nominal value per share of ₹10 (not annualised)	35		
Basic ₹		24.06	28.38
Diluted ₹		24.06	28.38
Corporate information	1		
Significant accounting policies	2		
Other notes	3 to 46		

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **FINOLEX INDUSTRIES LIMITED**

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

Ritu P. Chhabria

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Saurabh S. Dhanorkar

DIN: 00008221

DIN: 00062144

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00011322

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Standalone Cash Flow

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
I Cash flows from operating activities		
Profit before tax	43,883.07	51,696.42
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	6,060.46	5,504.62
Debit balances written off	82.47	53.74
(Profit)/loss on sale of investments (net)	(594.10)	(902.85)
(Gain)/loss on fair valuation of investment	(459.09)	72.78
(Profit)/loss on sale of assets (net)	39.94	1.53
Dividend income classified as investing cash flows	(758.73)	(671.01)
Finance income classified as investing cash flows	(20.85)	(217.01)
Exchange fluctuation (gain)/ loss - net	(423.12)	(561.53)
Finance costs	981.65	1,538.19
Operating profit before working capital changes	48,791.70	56,514.88
Change in operating assets and liabilities		
(Increase) / decrease in inventories	(5,415.37)	(11,017.80)
(Increase) / decrease in trade receivables	935.36	(3,486.36)
(Increase) / decrease in other bank balances	(577.26)	(203.82)
(Increase) / decrease in loans	(4.58)	1.93
(Increase) / decrease in other financial assets	(721.12)	(542.95)
(Increase) / decrease in other current assets	1,349.80	1,164.23
Increase / (decrease) in trade payables	2,722.67	(1,009.36)
Increase / (decrease) in provisions	114.66	(103.01)
Increase / (decrease) in government grants	393.55	973.50
Increase / (decrease) in other financial liabilities	1,505.91	1,354.94
Increase / (decrease) in other current liabilities	(3,302.42)	(955.16)
Cash generated from working capital changes	(2,998.80)	(13,823.86)
Less - Direct Tax paid	(11,951.62)	(17,517.22)
Net cash inflow from operating activities	33,841.28	25,173.80
II Cashflow from investing activities		
Proceeds from sale of property, plant and equipment	27.06	80.44
Payment for purchase of property, plant and equipment	(17,251.86)	(9,551.97)
Proceeds from sale of investments	838.75	1,041.93
Payment for purchase of investments	(444.32)	11,215.10
Dividend income	758.73	671.01
Non-current assets held for sale	(119.24)	-
Net cashflow from investing activities	(16,190.88)	3,456.51

Statement of Standalone Cash Flow

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
III Cashflow from financing activities		
Finance Income	20.85	217.01
Finance costs	(1,016.39)	(1,786.00)
Proceeds from Borrowings	652.31	(11,736.04)
Dividend paid to company's shareholders (including DDT)	(17,176.21)	(14,935.82)
Net cashflow from financing activities	(17,519.44)	(28,240.85)
IV Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)	130.96	389.46
V Cash and cash equivalents at the beginning of the financial year	550.77	161.31
VI Cash and cash equivalents at the end of the financial year (IV+V) (Refer note 11.1)	681.73	550.77

Cash Components

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balances with banks (current accounts)	652.24	527.91
Cash on hand	29.49	22.86
	681.73	550.77

The Company reports cashflows from activities using the indirect method as per Ind AS 7 "Statement of Cash Flows"

As per our report of even date

For **M/s. PG. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

Prakash P. Chhabria

Executive Chairman

DIN: 00016017

Sanjay Asher

Ritu P. Chhabria

Dara N. Damania

Shrikrishna N. Inamdar

Prabhakar D. Karandikar

Dr. Sunil U. Pathak

Saurabh S. Dhanorkar

DIN: 00008221

DIN: 00062144

DIN: 00403834

DIN: 00025180

DIN: 02142050

DIN: 00049315

DIN: 00011322

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Standalone Changes in Equity

for the year ended March 31, 2018

A Equity share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars

	March 31, 2018	March 31, 2017
Balance as at beginning of the year	12,409.54	12,409.54
Changes in equity share capital during the year	-	-
Balance as at end of the year	12,409.54	12,409.54

B Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at April 1, 2017	15,126.81	108,643.55	39,450.22	2,517.93	50,991.20	216,729.71
Profit for the period		29,854.48				29,854.48
Other Comprehensive Income for the year						
Remeasurement gains/(losses) on defined benefit plan (Refer Note 36)		(86.99)				(86.99)
Gains/(losses) on equity instruments designated at FVOCI					34,726.54	34,726.54
Total comprehensive income	15,126.81	138,411.04	39,450.22	2,517.93	85,717.74	281,223.74
Dividends (Refer Note 17)		(14,270.97)				(14,270.97)
Dividend distribution tax (Refer Note 17)		(2,905.44)				(2,905.44)
As at March 31, 2018	15,126.81	121,234.63	39,450.22	2,517.93	85,717.74	264,047.33

Statement of Standalone Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus					Items of OCI	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Debenture redemption reserve	Equity instruments through OCI	
As at April 1, 2016	15,126.81	88,445.19	31,950.22	2,517.93	7,500.00	(964.74)	144,575.41
Profit for the period		35,217.95					35,217.95
Other comprehensive income for the year							
Remeasurement gains / (losses) on defined benefit plan		(71.66)					(71.66)
Gains / (losses) on equity instruments designated at FVOCI						51,955.94	51,955.94
Total comprehensive income	15,126.81	123,591.48	31,950.22	2,517.93	7,500.00	50,991.20	231,677.64
Dividends (Refer Note 17)		(12,409.54)					(12,409.54)
Dividend distribution tax (Refer Note 17)		(2,538.39)					(2,538.39)
Transfer from retained earnings			7,500.00		(7,500.00)		
As at March 31, 2017	15,126.81	108,643.55	39,450.22	2,517.93	-	50,991.20	216,729.71

Notes to financial statements form an integral part of financial statements.

As per our report of even date
For **M/s. P.G. Bhagwat**
Chartered Accountants
FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat
Partner
M.No. 136835

Anil V. Whabi
Director - Finance & CFO
DIN: 00142052

Prakash P. Chhabria
Executive Chairman
DIN: 00016017

Sanjay Asher DIN: 00008221
Ritu P. Chhabria DIN: 00062144
Dara N. Damania DIN: 00403834
Shrikrishna N. Inamdar DIN: 00025180
Prabhakar D. Karandikar DIN: 02142050
Dr. Sunil U. Pathak DIN: 00049315
Saurabh S. Dhanorkar DIN: 00011322

Devang Trivedi
Company Secretary
M. No. ACS 13339

Sanjay S. Math
Managing Director
DIN: 01874086

Place: Pune
Date: May 23, 2018

Place: Pune
Date: May 23, 2018

Notes to the Standalone Financial Statements

1. Corporate Information

Finolex Industries Limited ('FIL' or 'the Company') is a company incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maual, District Pune, India.

The company is engaged in the business of manufacturing PVC pipes & fittings, manufacturing of PVC resin and power generation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 23, 2018.

2. Summary of significant accounting policies

Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Rules').

The financial statements have been prepared on accrual basis and under historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

2.1 Fair value measurement

The Company measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Standalone Financial Statements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities.

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured, regardless when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty other than excise duty.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory risk.

Company has assumed that recovery of excise duty flows to the Company on its own account. Accordingly, it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty (up to June 30, 2017)*.

However, sales tax/value added tax (VAT) & Goods and Service Tax (GST applicable from July 1, 2017) * is not received by the Company on its own account. Accordingly, it is excluded from revenue.

*Goods and Service Tax was introduced from July 1, 2017. Indirect taxes like excise duty, service tax and sales tax/VAT have been subsumed into the new Act.

Notes to the Standalone Financial Statements

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The company presents interest income on financial assets at Fair Value Through Profit & Loss separately from fair value changes on financial assets.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.3 Foreign currencies

The Company's financial statements are presented in Indian Rupees ('INR'), which is its functional currency.

2.3.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

2.3.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

2.4 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

Notes to the Standalone Financial Statements

2.5 Taxes

2.5.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.5.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of

the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary

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differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.6 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.7 Property, plant and equipment (PPE)

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and and borrowing costs, if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals; the Company depreciates them separately based on

Notes to the Standalone Financial Statements

their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives as specified in Schedule II to the Companies Act, 2013 which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment's	5
Vehicles	8

In the case of Captive Power Plant the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule – II.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The management undertakes a review of the residual values, useful lives and

methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

2.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.8.1 Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

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2.8.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over a period of 6 years using straight line method.

Gains or losses arising from de-recognition of an intangible asset are

measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.11.1 Financial assets

2.11.1.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

2.11.1.2 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

2.11.1.3 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

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- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the profit and loss statement.

The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the company.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain

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or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Company may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Company makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on de-recognition. However, the company may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

(c) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost or at FVOCI. The Company classifies all equity or puttable financial instruments held for

trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss. Further, the Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

2.11.1.4 De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.11.1.5 Impairment of financial assets

The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets measured at amortised cost

Notes to the Standalone Financial Statements

- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Company.
- Trade receivables under Ind-AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/(gain) is recognised in the statement of profit and loss, except for impairment loss/(gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

2.11.2 Financial liabilities

2.11.2.1 Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

2.11.2.2 Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case

of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss

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are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.11.2. 3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.11.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials	Purchase cost on a moving weighted average basis
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Notes to the Standalone Financial Statements

2.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.15 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Company discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Company does not recognise a contingent liability but only makes disclosures for the same in the financial statements.

2.17 Provision for employment benefits

2.17.1 Defined contribution plans

The Company has the following defined contribution plans: state

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governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

2.17.2 Defined benefit plans

Post-employment benefit in the form of gratuity fund scheme is a defined benefit plan. The present value of obligation under the scheme is determined based on actuarial valuation using the projected unit credit method ('PUCM'). The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date on which the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under

'employee benefit expenses' in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Refer Note 36 for additional disclosures relating to Company's defined benefit plan.

2.17.3 Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

2.18 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

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2.19 Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the financial statements:

2.19.1 Non-current asset held for sale

On February 6, 2018, the Company had received an offer from Peninsula Investment Management Company Limited to purchase the units of "PReF Indigo Scheme." Subsequently the Company has accepted the offer vide letter dated February 23, 2018 to Peninsula Investment Management Company expressing its intent to irrevocably sell its units to the company at the Net Asset Value (NAV) of March 31, 2017. The Company has an active plan and taken all necessary approvals to execute the sale. Accordingly, this investment was classified as non-current asset held for sale as on March 31, 2018, on account of the following factors:

- The asset is available for sale in the present condition
- The sale is highly probable, which is evident from the following:
- The Company's management has a committed to plan to sell the non-current asset
- Active program to complete the plan is initiated
- The sale is expected to be executed within one year

2.19.2 Classification of non-current investments

The Company has classified investment in Finolex Plasson Industries Limited and Pawas Port Limited as investment in associates and accordingly investment in equity shares of these companies have been measured at cost.

The non-current investments in equity shares of Finolex Cables Limited and Finolex Infrastructure Limited which the Company considers to be strategic in nature have been classified as investments measured at fair value through Other Comprehensive Income.

2.20 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Company's control. Such changes are reflected in the assumptions when they occur.

2.20.1 Defined benefit plans

The Company has a defined benefit plan i.e. gratuity fund scheme. The cost and the present value of the obligation arising out of the gratuity scheme are determined using actuarial valuations.

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An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.20.2 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of balance sheet cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Please refer Note 39 for

further details of fair valuation approach and inputs used for various financial instruments.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 amending Ind AS 115 Revenue from Contracts with Customers, Appendix D to Ind AS 115 Service Concession Arrangements and Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration (corresponding to IFRIC 22). Ind AS 11 Construction Contracts and Ind AS 18 Revenue will be omitted.

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3.1 Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Additions	Disposals	As at March 31, 2018
Freehold land	6,867.42	126.23	-	6,993.65	-	-	-	6,993.65
Leasehold land	100.70	-	-	100.70	26.62	0.99	-	27.61
Buildings	21,550.06	430.49	-	21,980.55	7,205.85	630.56	-	7,836.41
Plant and machinery	166,801.38	8,130.66	139.11	174,992.93	103,947.70	5,112.21	130.02	108,929.89
Office equipment	257.30	14.88	81.56	190.62	148.85	45.59	77.40	117.04
Furniture & fixtures	1,176.71	53.55	631.25	599.01	911.96	64.98	599.02	377.92
Vehicles	883.97	281.59	41.10	1,124.46	230.32	124.15	28.90	325.57
Total	197,637.54	9,037.40	893.02	205,781.92	112,471.30	5,978.48	835.34	117,614.44
Capital work-in-progress	2,174.85	-	-	9,034.10	-	-	-	9,034.10

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2016	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	Additions	Disposals	As at March 31, 2017
Freehold land	6,778.37	89.05	-	6,867.42	-	-	-	6,867.42
Leasehold land	100.70	-	-	100.70	25.13	1.49	-	26.62
Buildings	21,427.70	134.60	12.24	21,550.06	6,587.53	628.10	9.78	7,205.85
Plant and machinery	161,412.90	5,515.50	127.02	166,801.38	99,374.39	4,607.05	33.74	103,947.70
Office equipment	219.22	40.67	2.59	257.30	109.79	41.26	2.20	148.85
Furniture & fixtures	1,137.76	40.84	1.89	1,176.71	848.39	64.13	0.56	911.96
Vehicles	775.42	161.34	52.79	983.97	181.32	89.71	40.71	230.32
Total	191,852.07	5,982.00	196.53	197,637.54	107,126.55	5,431.74	86.99	112,471.30
Capital work-in-progress	661.55	-	-	2,174.85	-	-	-	2,174.85

Movable property, plant and equipment :

For details of property, plant and equipment pledged as security for liabilities, please refer to Note 21.

Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

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3.2 Intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Additions	Disposals	As at March 31, 2018
Computer software	597.23	1.39	9.44	589.18	250.67	82.10	0.12	332.65
								256.53
								346.56

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost			Accumulated Depreciation			Net Block	
	As at April 1, 2016	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	Additions	Disposals	As at March 31, 2017
Computer software	416.85	180.38	-	597.23	177.78	72.89	-	250.67
								346.56

The Company had opted to continue and disclose the previous GAAP carrying values (written down value) of property, plant and equipment as on April 1, 2015, as the deemed cost under IND AS. In the current year the management has decided to present such adopted values on Gross basis (i.e. gross value of asset and accumulated depreciation separately) and as such previous year's figures have been regrouped.

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4 Non-current investments

List of investments under each category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of shares		Value of investments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Quoted and listed				
Investments in equity shares				
Investments designated at fair value through other comprehensive income				
Equity Shares of ₹2 each in Finolex Cables Limited	22,187,075	22,187,075	147,271.15	114,622.66
Investments designated at fair value through profit and loss				
Equity Shares of ₹2 each in Gulf Oil Corporation Limited	4,950	9,900	24.81	35.94
Equity Shares of ₹2 each in Gulf Oil Lubricants India Limited	4,950	-	45.06	-
Equity Shares of ₹10 each in Gold Crest Corporation Limited	12,400	12,400	6.23	4.26
			76.10	40.20
Unquoted				
Investments designated at fair value through other comprehensive income				
Equity Shares of ₹10 each in				
a) Finolex Infrastructure Limited	5,373,938	5,373,938	862.58	862.58
Investments designated at fair value through profit and loss				
Equity Shares of ₹10 each in				
a) The Saraswat Co-op Bank Limited	1,000	1,000	0.10	0.10
Units of ₹100,000 each in Peninsula Realty Fund (Refer Note 15)	-	381	-	280.55
Investments measured at cost				
Associate Companies				
Equity Shares of ₹10 each in				
a) Finolex Plasson Industries Private Limited	4,635,000	4,635,000	749.77	749.77
b) Pawas Port Limited	49,994	49,994	5.00	5.00
			754.77	754.77
Total			148,964.70	116,560.86

Notes to the Standalone Financial Statements

4 Non-current investments (contd..)

The Company measures its investments in associates at cost, as per option provided by Ind AS 27.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Aggregate value of quoted investments (cost)	10,266.19	10,266.19
Aggregate market value of quoted investments	147,347.25	114,662.86
Aggregate value of unquoted investments (cost)	537.49	918.86
Aggregate value of unquoted investments (fair value)	862.68	1,143.23

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk Management Strategy

Refer Note 41 on risk management objectives and policies for financial instruments.

5 Non-current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Loans to employees	4.56	4.62
Total	4.56	4.62

Loans are non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Company.

6 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Security deposits		
Considered good	182.52	183.17
Doubtful	8.28	8.28
	190.80	191.45
Less: Provision for doubtful deposits	(8.28)	(8.28)
	182.52	183.17
Claims receivable (under mega incentive schemes) (Refer Note 20)	2,005.20	5,443.48

Notes to the Standalone Financial Statements

6 Other non-current financial assets (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Other deposits		
Unsecured, considered good	1.73	106.05
Doubtful	84.94	65.00
	86.67	171.05
Less: Provision for doubtful deposits	(84.94)	(65.00)
	1.73	106.05
Total	2,189.45	5,732.70

Security deposits comprise of deposit with various government agencies and others.

Other deposits primarily relate to inter-corporate deposit.

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Capital advances	3,782.00	2,427.72
Other advances		
Advances to subcontractors		
Unsecured, considered good	1,073.63	582.60
Doubtful	484.82	504.76
	1,558.45	1,087.36
Less: Provision for doubtful advances	(484.82)	(504.76)
	1,073.63	582.60
Amounts deposited under protest	500.00	500.00
Prepaid expenses	136.35	43.82
Claims Receivable		
-Excise, Service Tax, Customs	191.92	225.40
-VAT and sales tax	4,975.78	4,480.44
Advance tax (net of provision)	5,246.30	4,356.27
Total	15,905.98	12,616.25

Amounts deposited under protest primarily relates to amount deposited with Dispute Resolution Panel in connection with a dispute with bank (₹500 Lakhs).

Notes to the Standalone Financial Statements

8 Inventories

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Raw materials	27,900.45	27,836.04
Work-in-progress	4,737.62	2,585.59
Finished goods	22,986.91	19,913.19
Stores and spares	5,336.64	5,197.21
Packing material	193.78	208.00
Total	61,155.40	55,740.03

- Raw materials include goods in transit of ₹3,212.98 Lakhs (₹4,486.91 Lakhs as at March 31, 2017)
- The above inventories are hypothecated against current borrowings. Also Refer Note 21.
- Refer Note 2.12 for basis of valuation of inventories.
- Write-down of inventories to net realisable value (net of reversal) amounted to ₹529.86 Lakhs (March 31, 2017: ₹1,207.81 Lakhs). These were recognised as an expenses during the year and included in material consumption.

9 Current investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Investment in Mutual Fund classified as fair value through profit and loss				
Quoted but not listed				
Mutual Fund (MF) Units of ₹100 each				
Aditya Birla Sun Life Cash Plus Direct Plan - Growth	451,862.60	-	1,262.12	-
ICICI Prudential Money Market Fund Direct Growth	478,657.78	-	1,151.00	-
UTI Fixed Income Interval Fund V Quarterly Interval Plan Retail Option Growth	3,341,894.95	-	707.04	-
Mutual Fund (MF) Units of ₹1,000 each				
Axis MF - Axis Liquid Fund -Growth	-	2,88,282.09	-	5,198.38
UTI Liquid Fund- Cash Plan- Gr	-	17,174.81	-	457.41
Axis Liquid Fund- Direct Plan- Growth	72,825.30	-	1,403.73	-
DSP Blackrock Liquidity Fund - Direct Plan - Growth	56,517.32	-	1,404.64	-
Tata Liquid Fund- Direct Plan- Growth	8,743.99	-	280.14	-
UTI Money Market Fund Institutional Regular Plan Growth	18,071.70	-	350.53	-
Total			6,559.20	5,655.79

Notes to the Standalone Financial Statements

9 Current investments (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Aggregate value of quoted investments (cost)	6,530.32	5,582.61
Aggregate market value of quoted investments	6,559.20	5,655.79

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk Management Strategy

Refer Note 41 on risk management objectives and policies for financial instruments.

10 Trade receivables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars.	March 31, 2018	March 31, 2017
Trade receivables		
Unsecured, considered good	4,313.93	5,249.29
Doubtful	12.96	12.96
	4,326.89	5,262.25
Impairment allowance (allowance for bad and doubtful debts)	(12.96)	(12.96)
Total	4,313.93	5,249.29

For terms and conditions relating to related party receivables, Refer Note 37.

Trade receivables from companies in which director is a director or member

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Finolex Plasson Industries Private Limited	-	75.64
Finolex Cables Limited	-	21.91

Company's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and credit period is given selectively in few cases only. Company also charges interest @ 18% p.a in case of default in collection of trade receivables.

11.1 Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balances with banks (current accounts)	652.24	527.91
Cash on hand	29.49	22.86
Total	681.73	550.77

Notes to the Standalone Financial Statements

11.2 Other bank balances

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Unpaid dividend accounts	1,660.93	1,083.67
Total	1,660.93	1,083.67

12 Current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Loans to Employees	21.40	16.76
Total	21.40	16.76

13 Other current financial assets

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Security deposits	16.02	-
Claims receivable		
(under mega incentive schemes) (also Refer Note 20)	4,184.42	-
Other receivables	6.15	24.69
Total	4,206.59	24.69

14 Other current assets

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Advances to vendors	1,681.77	667.47
Prepaid expenses	348.07	247.94
Claims receivable	181.37	3,691.02
(includes Excise, Service Tax, Customs, GST)		
Total	2,211.21	4,606.43

15 Non-current assets held for sale

Non-current assets held for sale comprises of investment in units of Peninsula Realty Fund.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
381 Units of ₹1,00,000 each in Peninsula Realty Fund	119.24	-

For the year ended March 31, 2018, the Company had decided to sell its investment in the said company. As on March 31, 2018, the Company had taken the necessary actions to complete the sale and expected the sale to take place within one year.

Notes to the Standalone Financial Statements

16 Share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	Amount	No. of shares*	Amount
Authorised:				
Equity shares of ₹10 each	150,000,000	15,000.00	150,000,000	15,000.00
Unclassified share capital	85,000,000	8,500.00	85,000,000	8,500.00
	235,000,000	23,500.00	235,000,000	23,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10 each fully paid	124,095,381	12,409.54	124,095,381	12,409.54
	124,095,381	12,409.54	124,095,381	12,409.54

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	124,095,381	12,409.54	124,095,381	12,409.54
Add: Allotted during the year	-	-	-	-
Outstanding at the end of the period	124,095,381	12,409.54	124,095,381	12,409.54

Terms/ Rights attached to equity shares:

The Company has only class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	% holding	No. of shares*	% holding
Equity shares of ₹10 each fully paid				
Finolex Cables Ltd.	40,192,597	32.39%	40,192,597	32.39%
Orbit Electricals Private Limited	23,330,901	18.80%	23,330,901	18.80%

* No. of shares are in full figures

Notes to the Standalone Financial Statements

17 Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Debenture redemption reserve	Other Comprehensive Income	Total
As at March 31, 2016	88,445.19	2,517.93	15,126.81	31,950.22	7,500.00	(964.74)	144,575.41
Add : Profit for the year	35,217.95						35,217.95
Add: Other comprehensive income for the year						51,955.94	51,955.94
Add/(less): Remeasurement gains/(losses) on defined benefit plan	(71.66)						(71.66)
Add: Excess dividend tax provision reversed	(12.10)						(12.10)
Add: Transfer from Debenture redemption reserve				7,500.00	(7,500.00)		
Less: Appropriations							
-Dividend declared	(12,409.54)						(12,409.54)
-Tax on dividend declared	(2,526.29)						(2,526.29)
As at March 31, 2017	108,643.55	2,517.93	15,126.81	39,450.22	-	50,991.20	216,729.71
Add : Profit for the year	29,854.48						29,854.48
Add: Other comprehensive income for the year						34,726.54	34,726.54
Add/(less): Remeasurement gains/(losses) on defined benefit plan	(86.99)						(86.99)
Less: Appropriations							
-Dividend declared	(14,270.97)						(14,270.97)
-Tax on dividend declared	(2,905.44)						(2,905.44)
As at March 31, 2018	121,234.63	2,517.93	15,126.81	39,450.22	-	85,717.74	264,047.33

17.1 Nature and purpose of reserves

1) Share capital buyback reserve

During financial year ended March 31, 2002 and March 31, 2003, the company bought back shares of the company out of free reserves and in order to comply with the requirements of company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

2) General reserve

Till April 1, 2013, the company was governed by provisions of the Companies Act of 1956. As per the requirements of this act read along with Companies (Transfer of Profit to Reserve) Rules, 1975, any company declaring dividend in excess of 10% of face value of equity share was mandatorily required to transfer specified (%) of amount to general reserve. Accordingly, the company has transferred amount to this reserve over the years to comply with the company law requirements.

Notes to the Standalone Financial Statements

17.2 Other comprehensive income, net of tax

The disaggregation of changes in OCI by each type of reserve

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
FVOCI reserve	85,717.74	50,991.20
Total	85,717.74	50,991.20

17.3 Distribution made and proposed

(All amounts in ₹ Lakhs unless otherwise stated)

Cash dividends on Equity shares declared and paid	March 31, 2018	March 31, 2017
Final dividend for 2015-16: ₹10 per share	-	12,409.53
Dividend distribution tax on above final dividend	-	2,526.29
Final dividend for 2016-17: ₹11.50 per share	14,270.97	-
Dividend distribution tax on above final dividend	2,905.24	-

17.4 Dividends proposed before annual general meeting but not recognised as a liability

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Proposed Dividend	12,409.54	14,270.97
Dividend per share (₹)	10.00	11.50

Proposed dividend on equity shares are subject to approval of the shareholders of their Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at March 31, 2018.

18 Non-current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Trade & security deposits	32.39	34.90
Total	32.39	34.90

19 Provisions

19.1 Non-current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Employee benefit obligations		
Gratuity (Refer Note 36)	886.54	710.11
Others		
Compensated absences (Refer Note 36)	456.94	404.52
Total	1,343.48	1,114.63

Notes to the Standalone Financial Statements

19 Provisions (contd..)

19.2 Current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Employee benefit obligations		
Gratuity (Refer Note 36)	85.00	76.00
Others		
Compensated absences (Refer Note 36)	57.60	47.06
Total	142.60	123.06

20 Government grants

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Deferred income from industrial promotion subsidy	7,073.50	6,679.95
Non-current	6,444.50	6,134.62
Current	629.00	545.33

- a) The company is entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, during the period from April 1, 2011 to March 31, 2018. The aforesaid subsidy is in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the company is recognising revenue from grant over the life of the property, plant and equipment.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
As at the beginning of the year	6,679.95	5,706.45
Recognised during the year	1,669.17	2,292.79
Released to the statement of profit and loss	(1,275.62)	(1,319.29)
As at the end of the year	7,073.50	6,679.95

- b) The company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme. The government grant receivable includes electricity duty refund of prior years amounting to ₹1,350.33 Lakhs (March 31, 2017 - ₹2,273.87 Lakhs)

Notes to the Standalone Financial Statements

21 Current borrowings

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Acceptances from banks:		
Secured	5,207.69	9,418.47
Unsecured	4,759.44	-
Bank overdraft	103.65	-
Total	10,070.78	9,418.47

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings of ₹1,39,575 Lakhs (₹1,39,575 Lakhs as at March 31, 2017) from the Bank of India Consortium together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

- 1) Hypothecation of inventories and book debts; and
- 2) Extension of second equitable mortgage, created in favour of Bank of India Consortium on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Ltd (ABL), New Delhi. ABL acting as an agent for Bank of India Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

22 Trade payables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Trade payables		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)	59.67	38.99
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	24,987.74	22,708.87
Total	25,047.41	22,747.86

Trade payables are non-interest bearing and are normally settled within 30 to 45 days. Refer Note 41 for discussion on Company's credit risk management policies and procedures.

Notes to the Standalone Financial Statements

23 Other current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest accrued	11.28	46.02
Payable to employees	1,969.83	2,292.50
Payables for expenses	3,382.48	2,128.65
Unpaid dividend	1,660.93	1,083.67
Total	7,024.52	5,550.84

24 Other current liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Advances from Customers	2,933.83	2,860.04
Statutory dues (includes indirect and withholding taxes)	1,039.42	4,415.63
Total	3,973.25	7,275.67

25 Income Taxes

A Composition of income tax expense is as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Statement of profit and loss		
Current tax		
Current income tax charge	14,085.68	15,933.82
Adjustments in the period for current tax of prior periods	(1,088.76)	-
Deferred tax		
Relating to temporary differences	1,031.67	544.66
Relating to changes in tax rates or the imposition of new taxes		
Income tax expense reported in the statement of profit and loss	14,028.59	16,478.48
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	46.74	37.93
Fair value changes of financial assets	2,078.05	105.92
Income tax charged to OCI	2,124.79	143.85

Notes to the Standalone Financial Statements

25 Income Taxes (contd..)

B Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Accounting profit before tax expense	43,883.07	51,696.42
At India's statutory tax rate 34.608% (March 31, 2017 34.608%)	34.608%	34.608%
Computed tax expense	15,187.05	17,891.10
Adjustments For:		
Donations made disallowed as deductions	8.91	10.63
Loss on sale of asset	-	0.53
Corporate Social Responsibility Expenses	153.82	150.09
Provision for expenses not allowed in tax	125.54	0.71
Other non-deductible expenses	-	40.26
Capital Gains	-	312.46
Government grants exempted from tax	-	(13.13)
Dividend income accrued in current year exempt from tax	(262.57)	(232.22)
Profit on sale of assets	-	(0.45)
Profit on sale of investments	-	(312.46)
Agricultural income U/S.10(1)(Income from Mango Harvesting contract.)	(2.23)	(1.13)
Deduction allowed income tax	(287.38)	(1,316.67)
Difference on capital gain tax rate	-	52.60
Other income credited to profit & loss A/c, either exempt or considered separately	-	(112.98)
Impact of Change in rate	162.35	-
Previous years tax provision write off	(1,088.76)	-
Other items	31.86	9.14
At the effective tax rate of 34.45% (March 31, 2017: 31.88%)	14,028.59	16,478.48
Income tax expense reported in the statement of profit and loss	14,028.59	16,478.48

Notes to the Standalone Financial Statements

25 Income Taxes (contd..)

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liabilities				
Depreciation	(17,437.21)	(16,152.47)	(1,284.74)	(824.37)
Fair valuation of FVOCI investment	-	(35.11)	-	-
Deferred tax assets				
Fair valuation of FVOCI investment	2,042.94	-	-	-
Deferred income	2,471.76	2,311.43	160.33	336.77
Fair valuation of FVTPL investment	128.20	88.00	40.20	36.43
Disallowances u/s 43 B of Income Tax Act		-	-	(94.05)
Provision for Doubtful debts & advances	206.52	167.79	38.73	-
Leave encashment	179.80	156.28	23.52	(88.48)
Defined benefit obligation and others	339.50	303.01	(10.24)	89.04
Deferred tax (expense)/income			(1,032.20)	(544.66)
Net deferred tax assets/(liabilities)	(12,068.49)	(13,161.07)		

D Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities, (net)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
As at the beginning of the year	(13,161.07)	(12,760.79)
Tax (expense)/ income recognised in the statement of profit and loss	(1,032.20)	(544.66)
Tax (expense)/ income recognised in the OCI	2,124.79	144.38
As at the end of the year	(12,068.49)	(13,161.07)

Notes to the Standalone Financial Statements

25 Income Taxes (contd..)

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Deferred tax income	252.54	462.24
Deferred tax expense	(1,284.74)	(1,006.90)
Net deferred tax (expense)/income	(1,032.20)	(544.66)

26 Revenue from operations

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Sale of products (Refer note below)	280,008.65	295,572.01
Other operating revenue		
a) Scrap sales	1,586.53	1,630.35
b) Recovery of port charges	269.80	242.04
c) Unwinding of deferred income (government grant) (Refer Note 20)	1,275.62	1,319.30
Total	283,140.60	298,763.70

Sale of goods includes excise duty collected from customers of ₹9,361.80 Lakhs up to Quarter ended June 30, 2017 (March 31, 2017: ₹38,527.28 Lakhs) as per guidelines prescribed in Ind AS 18 "Revenue." From July 1, 2017, Goods and Service Tax (GST) charged, is excluded from sales of goods. Also Refer Note 2.2 and 45.

27 Other Income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest on financial assets measured at FVTPL		
a) Overdue receivables from customers	17.39	32.63
b) Others (including employee loans and other interest received)	3.46	184.38
Dividend from non-current investments	758.73	671.01
Net gain / (loss) on fair value changes on investment classified as FVTPL	459.09	(72.78)
Net gain on disposal of current investments (mutual funds)	594.10	902.85
Net foreign currency exchange gain	423.12	561.53
Other non-operating income		
a) Insurance claims received	194.36	14.05
b) Others	82.15	138.82
Total	2,532.40	2,432.49

Notes to the Standalone Financial Statements

28 Cost of materials consumed

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Cost of raw materials consumed	178,891.49	164,407.22
Packing material consumed	2,774.26	2,439.92
Total	181,665.75	166,847.14

Cost of raw material consumed excludes excise duty paid of ₹9,361.80 Lakhs up to Quarter ended June 30, 2017 (March 31, 2017: ₹38,527.28 Lakhs). Excise duty paid has been disclosed separately on the face of statement of profit and loss account.

29 Changes in inventories of finished goods and work-in-progress

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Inventories at the end of the year		
Work-in-progress	4,737.62	2,585.59
Finished goods	22,986.91	19,913.19
Sub Total (A)	27,724.53	22,498.78
Inventories at the beginning of the year		
Work-in-progress	2,585.59	3,746.79
Finished goods	19,913.19	12,861.30
Sub Total (B)	22,498.78	16,608.09
Changes in inventories of finished goods and work-in-progress (B-A)	(5,225.75)	(5,890.69)

30 Employee benefits expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Salaries, wages, bonus and leave encashment	9,840.49	9,008.21
Gratuity fund expense (Refer Note 36)	136.69	117.31
Contribution to provident fund and other funds (Refer Note 36)	357.70	299.78
Staff welfare expenses	1,279.79	1,063.94
Total	11,614.70	10,489.24

Notes to the Standalone Financial Statements

31 Finance Cost

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest expense on borrowings and others	470.12	1,047.23
Other borrowing costs	171.51	168.54
Exchange differences regarded as an adjustment to borrowing costs	340.02	322.42
Total	981.65	1,538.19

32 Depreciation and amortisation expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Depreciation on property, plant and equipment	5,978.48	5,431.72
Amortisation of intangible assets	81.98	72.90
Total	6,060.46	5,504.62

33 Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Power and fuel	8,824.17	7,068.87
Stores and spares consumed	3,304.99	3,528.42
Other manufacturing expenses	9,594.95	7,930.71
Rent	204.13	245.11
Rates and taxes	1,280.28	1,100.24
Insurance	427.40	486.61
Repairs & maintenance (buildings)	614.17	647.46
Repairs & maintenance (plant & machinery)	2,140.17	1,657.52
Repairs & maintenance (others)	192.72	119.01
Communication expenses	322.74	301.29
Travelling and conveyance	682.30	1,008.14
Directors' sitting fees	35.62	30.36
Commission to non-executive directors	93.75	110.19
Auditors' remuneration :		
- Statutory audit fees	25.50	25.50
- Tax audit fees	5.00	5.00
- Limited review	6.00	6.00
- Certification	1.58	0.79
- Out of pocket expenses	0.59	0.58
Advertisement, publicity and sales promotion	3,826.37	3,937.98
Commission on sales	201.38	274.43
Freight outward & other selling expenses	1,049.37	998.58
Donations	25.75	30.72
Loss on sale of property, plant and equipment	39.94	0.22
Legal and professional fees	605.31	826.59

Notes to the Standalone Financial Statements

33 Other expenses (Contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Corporate social responsibility (CSR) (refer note below)	848.55	433.69
Security expenses	557.32	524.73
Information technology maintenance	1,565.05	604.33
Industrial safety expenses	146.13	38.04
Housekeeping expenses	253.05	215.45
Printing and stationery expenses	128.84	67.98
Miscellaneous expenses	328.20	259.45
Total	37,331.32	32,483.99

Details of CSR expenditure:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
a) Amount required to be spent during the period	612.39	419.12
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above		
Paid in cash	845.22	433.69
Yet to be paid in cash	3.33	-
Total	848.55	433.69

34 Segment Information

For management purposes, the Company is organised into business units based on their products and which has following three reportable segments :

- 1 PVC – engaged in producing and distributing PVC resin
- 2 Pipes and fittings – engaged in producing and distributing pipes and fittings required principally in the agriculture and construction industries
- 3 Power – engaged in generation of power for captive consumption

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the financial statements. The Company's financing (including finance costs and finance income) and income taxes are not allocated to operating segments.

Notes to the Standalone Financial Statements

Year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	50,256.83	232,883.72	0.05	283,140.60		283,140.60
Inter-segment	127,581.02	-	14,231.47	141,812.49	(141,812.49)	-
Total revenue	177,837.85	232,883.72	14,231.52	424,953.09	(141,812.49)	283,140.60
Income/(Expenses)						
Depreciation and amortisation	(1,233.27)	(3,113.75)	(1,531.56)	(5,878.58)	-	(5,878.58)
Segment profit	33,884.30	13,393.18	788.72	48,066.20	-	48,066.20
Total assets	66,842.06	77,301.57	24,343.88	168,487.51	-	168,487.51
Total liabilities	14,452.30	10,400.93	2,738.19	27,591.43	-	27,591.43
Other disclosures						
Capital expenditure	1,782.36	15,364.49	12.88	17,159.74	-	17,159.74

Year ended March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	77,076.34	221,687.30	0.06	298,763.70		298,763.70
Inter-segment	98,590.43		14,487.99	113,078.42	(113,078.42)	-
Total revenue	175,666.77	221,687.30	14,488.05	411,842.12	(113,078.42)	298,763.70
Income/(Expenses)						
Depreciation and amortisation	(1,213.04)	(2,625.42)	(1,532.89)	(5,371.35)	-	(5,371.35)
Segment profit	35,467.81	17,740.82	3,290.05	56,498.68	-	56,498.68
Total assets	77,699.67	63,310.30	24,134.82	165,144.79	-	165,144.79
Total liabilities	22,801.87	7,388.23	2,177.31	32,367.41	-	32,367.41
Other disclosures						
Capital expenditure	343.00	5,470.51	1.10	5,814.61	-	5,814.61

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Notes to the Standalone Financial Statements

34 Segment Information (contd..)

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment profit	48,066.20	56,498.68
Unallocable income	2,508.30	2,502.55
Finance costs	(981.65)	(1,538.19)
Unallocable expense	(5,709.78)	(5,766.62)
Profit before tax	43,883.07	51,696.42

Reconciliation of assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment operating assets	168,487.51	165,144.79
Financial assets carried at FVTPL	76.10	320.85
Financial assets carried at FVOCI	147,271.15	115,485.24
Financial assets carried at cost	754.77	754.77
Current investments	6,559.20	5,655.79
Cash and cash equivalents (including other bank balances)	2,342.66	1,634.44
Non-current asset held for sale	119.24	-
Other unallocated assets	19,841.81	6,533.64
Total assets	345,452.44	295,529.52

Reconciliation of liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment operating liabilities	27,591.42	32,367.41
Deferred tax liabilities	12,068.49	13,161.07
Trade payables	407.96	324.93
Current Tax Liability	2,219.15	283.82
Short term borrowings	10,070.78	9,418.47
Financial liabilities at amortised cost	7,034.99	2,332.57
Interest accrued	11.28	46.02
Unpaid dividend	1,660.93	1,083.67
Provisions	1,486.08	1,237.69
Government Grant	6,444.50	6,134.62
Total liabilities	68,995.57	66,390.27

Notes to the Standalone Financial Statements

34 Segment Information (contd..)

Geographic information

For the year ended March 31, 2018, the Company has catered only to the needs of the Indian markets. As there was no export turnover during the year, there are no reportable geographical segments.

35 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

The following reflects the income and share data used in the basic and diluted EPS computation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Basic		
Net profit / (loss) after tax (in ₹ Lakhs)	29,854.48	35,217.94
Weighted average number of equity shares	1,240.95	1,240.95
Basic earnings/(loss) per share of ₹10 each	24.06	28.38

36 Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹357.73 Lakhs (March 31, 2017: ₹299.78 Lakhs) is recognised as expenses and included in Note No. 30 "Employee benefit expense"

B. Defined benefit plans:

The Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

36 Disclosure pursuant to Employee benefits (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Gratuity
Defined benefit obligation
Fair value of plan assets
Total benefit liability

(All amounts in ₹ Lakhs unless otherwise stated)

Gratuity
Defined benefit obligation
Fair value of plan assets
Total benefit liability

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Insured managed funds (LIC)	361.87	313.62
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.20%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	7.20%	8.00%
Expected average remaining working lives (in years)		
Gratuity	16.16	16.11
Compensated absences	16.30	16.35
Withdrawal rate (based on grade and age of employees)		
Gratuity	1.00%	1.00%
Compensated absences	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2018	March 31, 2017
Discount rate	1% increase	97.10	83.58
	1% decrease	(111.55)	(96.18)
Future salary increase	1% increase	(100.02)	(85.92)
	1% decrease	88.88	76.28
Withdrawal rate	1% increase	(12.96)	(7.22)
	1% decrease	14.43	8.02

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit obligation.

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

The followings are the expected future benefit payments for the defined benefit plan :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	197.14	144.24
Between 2 and 5 years	465.06	372.45
Beyond 5 years	1,297.87	721.59
Total expected payments	1,960.07	1,238.28

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2018	March 31, 2017
	Years	Years
Gratuity	12.22	12.55

The followings are the expected contributions to planned assets for the next year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Gratuity	85.00	76.00

C. Other long-term employment benefits

The Group has compensated absences plan which is covered by other long-term employee benefits

March 31, 2018 : Changes in defined benefit obligation and plan assets of Compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2018
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 30)			
Compensated absences								
Defined benefit obligation	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	-	(514.53)
Benefit liability	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	-	(514.53)

Notes to the Standalone Financial Statements

36 Disclosure pursuant to Employee benefits (contd..)

March 31, 2017 : Changes in defined benefit obligation and plan assets of compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2016	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2017
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 30)			
Compensated absences								
Defined benefit obligation	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	(451.57)
Benefit liability	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	(451.57)

37. Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 'Related Party Disclosures' and representation made by the Key Management Personnel and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of Related Parties

i) Name of the Related party and nature of relationship where control exists

Name of the related party	Nature of relationship
Pawas Port Limited	Associate Company
Finolex Plasson Industries Private Limited	
Finolex Cables Limited holding 32.39 % in the Company	Enterprise wherein the Company is an associate
Finprop Advisory Services Limited	Enterprises over which Key Management Personnel or their relatives exercise significant influence
Mukul Madhav Foundation	
Magnum Machine Technologies Limited	
Mrs. Ritu P. Chhabria (Spouse of Mr. Prakash P. Chhabria)	Relative of director

ii) Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria - Executive Chairman	Key Management Personnel
Mr. Anil V. Whabi- Director Finance & CFO	
Mr. Sanjay S. Math - Managing Director	

Notes to the Standalone Financial Statements

37. Related party transactions (contd..)

B. Transactions with Related Parties

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	3,390.48	3,783.08
Reimbursement received of expenditure incurred		
Finolex Infrastructure Private Limited	7.05	7.02
Finolex Plasson Industries Private Limited	-	1.72
Dividend received		
Finolex Cables Limited	665.61	554.68
Finolex Plasson Industries Private Limited	92.70	115.88
II. Purchase of material / assets		
Purchase of raw material and components		
Finolex Plasson Industries Private Limited	-	1.05
Magnum Machine Technologies Limited	-	4.38
III. Expenses		
Services received		
Finolex Plasson Industries Private Limited	-	2.32
Mrs. Ritu P. Chhabria (Director sitting fees)	2.40	2.80
Mrs. Ritu P. Chhabria (Commission)	11.25	15.00
Dividend paid		
Finolex Cables Limited	4,622.15	4,019.26
Contribution towards corporate social responsibility		
Mukul Madhav Foundation	799.42	58.87
Amounts outstanding		
Due to		
Finolex Cables Limited	-	0.04
Finolex Plasson Industries Private Limited	3.74	-
Due from		
Finolex Plasson Industries Private Limited	-	75.64
Finolex Cables Limited	-	21.91

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Group has not recorded any impairment of

Notes to the Standalone Financial Statements

37. Related Party Transactions (contd..)

receivables relating to amounts owed by related parties (March 31, 2017: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: ₹Nil)

Transactions with key management personnel

Compensation of key management personnel of the Company

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits:		
Salary and perquisites	468.35	510.96
Mr. Prakash P. Chhabria	245.01	248.82
Mr. Saurabh S. Dhanorkar	-	78.37
Mr. Sanjay S. Math	114.24	97.23
Mr. Anil V. Whabi	109.10	86.54
Commission	860.00	1,200.00
Mr. Prakash P. Chhabria	680.00	900.00
Mr. Saurabh S. Dhanorkar	-	100.00
Mr. Sanjay S. Math	120.00	160.00
Mr. Anil V. Whabi	60.00	40.00
Post employment benefits :	6.90	8.17
Mr. Prakash P. Chhabria	4.31	3.89
Mr. Saurabh S. Dhanorkar	-	1.94
Mr. Sanjay S. Math	1.47	1.33
Mr. Anil V. Whabi	1.12	1.01
Other long term benefits	45.52	45.97
Mr. Prakash P. Chhabria	29.60	21.25
Mr. Saurabh S. Dhanorkar	-	13.85
Mr. Sanjay S. Math	9.53	7.09
Mr. Anil V. Whabi	6.39	3.78
Total	1,380.77	1,765.10

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

38. Commitments and contingencies

38.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹3,791.92 Lakhs as at March 31, 2018, ₹5,887.24 Lakhs as at March 31, 2017.

Notes to the Standalone Financial Statements

38. Commitments and contingencies (contd..)

38.2 Contingent liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	10.17	10.17
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	603.31	584.43
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal	5,867.77	4,617.97
d) Sales Tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	326.55	326.55
e) Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt (USD 20,821,480 as at March 31, 2018; USD 20,821,480 as at March 31, 2017). In view of counter claims of the Company against the banks, the facts and circumstances of the case and uncertainty of period for which the litigations will continue, a reliable estimate of the liability, if any, cannot be made. It is unlikely that there will be a material liability on the Company on this account in the near future. Therefore, in view of what is stated above no provision is required to be made out of the current year's profit. The Company has been legally advised in respect of this issue confirming the aforesaid.	13,502.42	13,502.42
f) Consumer Protection matters in respect of which customers have gone for recovery on account of faulty delivery of goods.	138.89	138.89

Notes to the Standalone Financial Statements

39. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments	-	76.10	147,271.15	147,347.25	147,347.25
Current investments	-	6,559.20	-	6,559.20	6,559.20
Trade and other receivables	4,313.93	-	-	4,313.93	4,313.93
Loans	25.96	-	-	25.96	25.96
Cash and short-term deposits	2,342.66	-	-	2,342.66	2,342.66
Other financial assets	6,396.04	-	-	6,396.04	6,396.04
Total	13,078.59	6,635.30	147,271.15	166,985.04	166,985.04
Financial liabilities					
Borrowings	10,070.78	-	-	10,070.78	10,070.78
Trade and other payables	25,047.41	-	-	25,047.41	25,047.41
Other financial liabilities	7,024.52	-	-	7,024.52	7,024.52
Total	42,142.71	-	-	42,142.71	42,142.71

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments	-	40.20	114,622.66	114,662.86	114,662.86
Current investments	-	5,655.79	-	5,655.79	5,655.79
Trade and other receivables	5,249.29	-	-	5,249.29	5,249.29
Loans	21.38	-	-	21.38	21.38
Cash and short-term deposits	1,634.44	-	-	1,634.44	1,634.44
Other financial assets	5,757.39	-	-	5,757.39	5,757.39
Total	12,662.50	5,695.99	114,622.66	132,981.15	132,981.15
Financial liabilities					
Borrowings	9,418.47	-	-	9,418.47	9,418.47
Trade and other payables	22,747.86	-	-	22,747.86	22,747.86
Other financial liabilities	5,550.84	-	-	5,550.84	5,550.84
Total	37,717.17	-	-	37,717.17	37,717.17

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Standalone Financial Statements

39. Fair values (contd..)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Non-current investments

The fair value of investments in quoted equity shares is based on the respective quoted price in the active markets as at the measurement date.

The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

Current investments

The Company's current investments consist of investment in units of mutual funds. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2018, and March 31, 2017 are as shown below:

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of:				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/ (increase) the fair value.

Notes to the Standalone Financial Statements

39. Fair values (contd..)

As at March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-current investments				
Investment in equity shares of:				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/ (increase) the fair value.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurements of non-current investments in unquoted equity shares classified as FVOCI

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Finolex Infrastructure Limited	Peninsula Realty Fund
As at April 1, 2016	1,290.92	445.83
Re-measurements recognised in OCI	(433.25)	-
Re-measurements recognised in Profit and Loss	-	(63.85)
Sales	4.91	(101.43)
As at April 1, 2017	862.58	280.55
Re-measurements recognised in OCI	-	-
Re-measurements recognised in Profit and Loss	-	(161.31)
Classified as non-current asset held for sale	-	(119.24)
As at March 31, 2018	862.58	-

Notes to the Standalone Financial Statements

40. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments measured at fair value after initial recognition:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2018	147,271.15	147,271.15	-	-
Gulf Oil Corporation Ltd.	March 31, 2018	24.81	24.81	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2018	45.06	45.06	-	-
Gold Crest Corporation Ltd.	March 31, 2018	6.23	6.23	-	-
Finolex Infrastructure Limited	March 31, 2018	862.58	-	-	862.58
Current investments:					
Investments in units of mutual funds	March 31, 2018	6,559.20	-	6,559.20	-
Non-current assets held for sale:					
Investment in units of Peninsula Realty Fund	March 31, 2018	119.24	-	119.24	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2017	114,622.66	114,622.66	-	-
Gulf Oil Corporation Ltd.	March 31, 2017	35.94	35.94	-	-
Gulf Oil Lubricants India Ltd.	March 31, 2017	-	-	-	-
Gold Crest Corporation Ltd.	March 31, 2017	4.26	4.26	-	-
Finolex Infrastructure Limited	March 31, 2017	862.58	-	-	862.58
Investment in units of Peninsula Realty Fund	March 31, 2017	280.55	-	280.55	-
Current investments:					
Investments in units of mutual funds	March 31, 2017	5,655.79	-	5,655.79	-

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies

The Company's principal financial liabilities comprise short term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade payables and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are all constant as at March 31, 2018 and March 31, 2017.

The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has short-term borrowings with fixed interest rates and hence the future cash flows of relevant financial instrument are not affected by changes in market interest rate.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Company approximately equates the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options, etc.

(All amounts in Lakhs unless otherwise stated)

Nature of exposure	Currency	As at March 31, 2018	As at March 31, 2017
Borrowings (Secured)	USD	79.90	145.23
Borrowings (Unsecured)	USD	73.03	-
Trade payables	USD	213.48	271.94
	EUR	-	0.86

Commodity price risk

The Company is affected by the volatility of certain commodities. Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products, and manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by Company's management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Company is exposed to the variation in commodity prices over short-term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene and EDC after the impact of hedge accounting:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2018		
VCM		
	+5%	(2,987.10)
	-5%	2,987.10
Ethylene		
	+5%	(1,244.54)
	-5%	1,244.54
EDC		
	+5%	(1,209.67)
	-5%	1,209.67

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2017		
VCM	+5%	(2,862.63)
	-5%	2,862.63
Ethylene	+5%	(1,374.12)
	-5%	1,374.12
EDC	+5%	(1,005.77)
	-5%	1,005.77

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Company are strategic in nature. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹862.68 Lakhs. A decrease of 10% in the fair value will have an impact of approximately ₹86.26 Lakhs on OCI and ₹0.01 on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the securities would also impact OCI, profit and loss and equity.

At the reporting date, the exposure to listed equity securities at fair value was ₹1,47,34,725 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹14,72,71,200 Lakhs on OCI and ₹7,36,73,625 Lakhs on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the

Notes to the Standalone Financial Statements

41. Financial risk management objective and policies (contd..)

year subject to approval of the Company's risk management committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Notes 9-12.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by Senior management. Management monitors the Company's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings. They use rolling forecasts on the basis of expected cash flows.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short-term borrowings from banks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Trade and security deposits	-	-	-	32.39	32.39
Short-term borrowings	-	10,070.78	-	-	10,070.78
Trade payables	124.44	24,922.98	-	-	25,047.41
Payable to employees	-	1,969.83	-	-	1,969.83

As at March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Trade and security deposits	-	-	-	34.90	34.90
Short-term borrowings	-	9,418.47	-	-	9,418.47
Trade payables	101.56	22,646.30	-	-	22,747.86
Payable to employees	-	2,292.50	-	-	2,292.50

Notes to the Standalone Financial Statements

42. Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep low a gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash deposits, current investments.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Borrowings	10,070.78	9,418.47
Current investment	(6,559.20)	(5,655.79)
Cash and cash equivalent	(681.73)	(550.77)
Net debt	2,829.85	3,211.91
Share capital	12,409.54	12,409.54
Other equity	264,047.33	216,729.71
Capital and net debt	279,286.72	232,351.16
Gearing ratio	1.01%	1.38%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

43. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Principal amount outstanding as on year end	59.67	38.99
Principal amount outstanding and overdue out of above	5.92	-
Interest due on above	0.01	-
Interest paid	-	-
Payment made beyond appointment date during the year	262.03	245.52
Interest due and payable for overdue payments made during the year	1.42	0.90
Total Interest accrued and remaining unpaid	1.43	0.90
Amount of further interest remaining due and payable in succeeding years	2.33	0.90

Notes to the Standalone Financial Statements

44. Donation to political party

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the party to which such amount has been contributed	March 31, 2018	March 31, 2017
Bharatiya Janata Party	-	25.00
Total	-	25.00

45. Goods and Service Tax

With effect from July 1, 2017 Goods and Service Tax comprising of four acts (i.e. Central Goods and Service Tax Act, State Goods and Service Tax Act, Integrated Goods and Service Tax Act, Union Territory Goods and Service Tax Act) was introduced in India. Accordingly certain indirect taxes like Excise, Service Tax, Sales Tax were subsumed under GST Acts.

46. Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Five Year Financial Highlights

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	2017/18	2017/18	2016/17	2015/16	2014/15	2013/14
	Consolidated	Standalone	Standalone	Standalone	Standalone	Standalone
	IND AS	IND AS	IND AS	IND AS	IGAAP	IGAAP
PROFIT AND LOSS ACCOUNT DATA						
Revenue from operations	283,140.60	283,140.60	298,763.71	284,312.39	284,733.18	283,033.11
Materials Cost (including excise duty)	185,801.80	185,801.80	199,483.73	200,890.19	220,536.66	207,935.84
Personnel expenses	11,614.70	11,614.70	10,489.24	9,249.89	7,396.87	7,171.24
Administration and selling expenses	37,331.32	37,331.32	32,483.99	33,728.60	35,817.07	30,873.49
Finance charges	981.65	981.65	1,538.19	4,470.97	7,037.10	6,637.17
Depreciation	6,060.46	6,060.46	5,504.62	5,057.36	5,867.42	6,229.18
Share of profit of associate before tax	1,634.53					
Profit before tax	45,424.90	43,883.07	51,696.42	37,327.19	8,078.06	24,186.19
Taxation	14,791.54	14,028.59	16,478.48	11,886.50	3,300.23	7,171.53
Profit after tax	30,633.36	29,854.48	35,217.94	25,440.69	4,777.83	17,014.66
Dividend (including tax on dividend if applicable) (proposed for FY 2017-18)	14,960.36	14,960.36	17,176.41	14,935.82	2,978.14	10,162.97
BALANCE SHEET DATA						
Share capital	12,409.54	12,409.54	12,409.54	12,409.54	12,409.54	12,409.54
Reserves and surplus	267,103.28	264,047.33	216,729.71	144,575.41	66,330.45	66,559.33
Net worth	279,512.82	276,456.87	229,139.25	156,984.95	78,739.99	78,968.87
Deferred tax (net)	14,164.31	12,068.49	13,161.07	12,760.79	11,077.75	10,632.53
Long term Loans	-	-	-	-	18,365.80	23,220.87
Short term Loans	10,070.78	10,070.78	9,418.47	11,171.20	40,340.14	42,371.22
Total liabilities	303,747.91	298,596.14	251,718.79	180,916.94	148,523.68	155,193.49
Gross block	206,371.12	206,371.12	198,234.78	192,268.92	189,393.63	184,996.56
Net block (including CWIP)	97,458.12	97,458.12	87,687.66	85,626.15	87,816.30	93,768.00
Non-current investments	154,116.47	148,964.70	116,560.86	64,849.92	12,461.09	12,740.40
Other non-current assets (net)	10,279.62	10,279.62	11,069.42			
Other current assets (net)	41,893.69	41,893.69	36,400.84	30,440.87	48,246.29	48,685.09
Total assets	303,747.90	298,596.13	251,718.79	180,916.94	148,523.68	155,193.49
KEY RATIOS						
Return on capital employed (%)	28.75	28.75	38.19	31.79	12.45	26.57
Earnings per share (₹)	24.69	24.06	28.38	20.50	3.85	13.71
Long term debt to equity	-	-	-	-	0.23	0.29
Dividend payout (%)	48.84	50.11	48.77	58.71	62.33	59.73
Interest coverage (times)	49.30	49.30	36.61	9.05	2.99	4.92
Book value per share (₹)	225.24	222.78	184.65	126.50	63.45	63.64

Note: The company adopted Indian Accounting Standards (IND AS) from FY 2016-17 along with comparative period data for FY 2015-16. For the years 2013-14 and 2014-15 the financial statements were prepared as per erstwhile Indian GAAP. Hence the figures for the years 2013-14 & 2014-15 are not comparable with the subsequent financial years.



Consolidated Financial Statements

Independent Auditors' Report

TO THE MEMBERS OF FINOLEX INDUSTRIES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **Finolex Industries Limited** and its Associate Company, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Company and its Associate Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The respective Board of Directors of the Company and its Associate Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associate Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company and its Associate Company as at March 31, 2018, and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
 - (e) On the basis of the written representations received from the directors of the Company and its Associate Company as on March

31, 2018 taken on record by the Board of Directors of the Company, none of the directors of the respective companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Company and its Associate Company— refer note

38.2 & 45 to the Consolidated Ind AS Financial Statements.

ii. The Company and its Associate Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Company.

For M/s **PG.BHAGWAT**
Chartered Accountants
Firm's Registration Number:101118W

Abhijeet Bhagwat
Partner
Membership Number:136835

Place: Pune
Date: May 23, 2018

Annexure I

to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Consolidated Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Ind AS Financial Statements of Finolex Industries Limited ("the Company") and its Associate Company as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company and its Associate Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company and its Associate Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely

preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its Associate Company's internal financial controls with reference to the Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial with reference to Consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company and its Associate Company's internal financial controls with reference to Consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to Consolidated Ind AS Financial Statements and such internal financial controls with reference to Ind AS Consolidated Financial Statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For M/s **PG.BHAGWAT**
Chartered Accountants
Firm's Registration Number:101118W

Abhijeet Bhagwat
Partner
Membership Number:136835

Place: Pune
Date: May 23, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2018	March 31, 2017
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	88,167.49	85,166.25
b) Capital work-in-progress	3.1	9,034.10	2,174.85
c) Intangible assets	3.2	256.53	346.57
d) Financial assets			
i) Investments	4	154,116.47	120,702.49
ii) Loans	5	4.56	4.62
iii) Other financial assets	6	2,189.45	5,732.70
(e) Other non-current assets	7	15,905.99	12,616.25
Total non-current assets		269,674.59	226,743.73
2 Current assets			
(a) Inventories	8	61,155.40	55,740.03
(b) Financial assets			
i) Investments	9	6,559.18	5,655.79
ii) Trade receivables	10	4,313.93	5,249.29
iii) Cash and cash equivalents	11.1	681.73	550.77
iv) Other bank balances	11.2	1,660.93	1,083.67
v) Loans	12	21.40	16.76
vi) Other financial assets	13	4,206.59	24.69
(c) Other current assets	14	2,211.21	4,606.43
Total current assets		80,810.37	72,927.43
3 Non-current assets held for sale	15	119.24	-
Total assets		350,604.20	299,671.16
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	16	12,409.54	12,409.54
(b) Other equity	17	267,103.28	219,067.46
Total equity		279,512.82	231,477.00
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
i) Other financial liabilities	18	32.39	34.90
(b) Provisions	19.1	1,343.48	1,114.63
(c) Deferred tax liabilities (net)	25	14,164.31	14,964.94
(d) Government grants	20	6,444.50	6,134.62
Total non-current liabilities		21,884.68	22,249.09
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	10,070.78	9,418.47
ii) Trade payables	22	25,047.41	22,747.86
iii) Other financial liabilities	23	7,024.52	5,550.84
(b) Other current liabilities	24	3,973.25	7,275.69
(c) Provisions	19.2	142.60	123.06
(d) Current tax liability (net)		2,219.15	283.82
(e) Government grants	20	629.00	545.33
Total current liabilities		49,106.71	45,945.07
Total liabilities		71,091.38	68,194.16
Total equity and liabilities		350,604.20	299,671.16

Corporate information
Significant accounting policies
Other notes

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3 to 47

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner
M.No. 136835

Anil V. Whabi

Director - Finance & CFO
DIN: 00142052

Prakash P. Chhabria

Executive Chairman
DIN: 00016017

Sanjay Asher

Ritu P. Chhabria
DIN: 00062144
Dara N. Damania
DIN: 00403834
Shrikrishna N. Inamdar
DIN: 00025180
Prabhakar D. Karandikar
DIN: 02142050
Dr. Sunil U. Pathak
DIN: 00049315
Saurabh S. Dhanorkar
DIN: 00011322

Devang Trivedi

Company Secretary
M. No. ACS 13339

Sanjay S. Math

Managing Director
DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Consolidated Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Note No	March 31, 2018	March 31, 2017
Income			
I Revenue from Operations	26	283,140.60	298,763.70
II Other income	27	2,439.70	2,316.62
III Total Income (I+II)		285,580.30	301,080.32
IV Expenses			
Cost of materials and components consumed	28	181,665.75	166,847.14
Changes in inventories of finished goods and work-in-progress	29	(5,225.75)	(5,890.69)
Excise duty paid		9,361.80	38,527.28
Employee benefits expense	30	11,614.70	10,489.24
Finance costs	31	981.65	1,538.19
Depreciation and amortisation expense	32	6,060.46	5,504.62
Other expenses	33	37,331.32	32,483.99
Total expenses (IV)		241,789.93	249,499.77
V Profit before share of profit/(loss) of an associate and tax (III-IV)		43,790.37	51,580.55
VI Share of profit/(loss) of an associate before tax		1,634.53	932.42
VII Profit before tax including share of associate (V+VI)		45,424.90	52,512.97
VIII Tax expense (including share of taxes in associate)			
Current tax	25	14,591.82	16,362.56
(Excess) / short provision of earlier year(s)		(1,088.76)	-
Deferred tax	25	1,288.48	665.68
Total Tax Expense (VIII)		14,791.54	17,028.24
IX Profit for the period (VII-VIII)		30,633.36	35,484.73
X Other Comprehensive Income (OCI)			
A Items that will not be reclassified to profit or loss			
-Re-measurement of defined benefit plans gain / (loss)		(133.73)	(109.59)
-Income tax effect		46.74	37.93
A(i) Re-measurement of defined benefit plans net off income tax		(86.99)	(71.66)
-Equity instruments through OCI gain / (loss)		32,648.49	51,850.02
-Income tax effect		2,078.05	105.92
A(ii) Equity instruments through OCI net of income tax		34,726.54	51,955.94
A(iii) Share of other comprehensive income of associate accounted for using the equity method (net of tax)		0.65	(5.75)
Total Other Comprehensive Income [A(i)+A(ii)+A(iii)]		34,640.19	51,878.53
XI Total Comprehensive Income for the period (IX +X)		65,273.55	87,363.26
XII Earnings per equity share (for continuing operation) having nominal value per share of ₹10 (not annualised)	35		
Basic ₹		24.69	28.59
Diluted ₹		24.69	28.59

Corporate information

Significant accounting policies

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Notes to accounts form an integral part of the financial statements

As per our report of even date

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Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

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Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Consolidated Cash Flow

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
I Cash flows from operating activities		
Profit before tax	45,424.90	52,512.97
Adjustments to reconcile profit before tax to net cash flows:		
Share of profit / (loss) from associate before tax	(1,634.53)	(932.42)
Dividend received from associate	92.70	115.88
Depreciation and amortisation expense	6,060.46	5,504.62
Debit balances written off	82.47	53.74
(Profit)/loss on sale of investments (net)	(594.10)	(902.85)
(Gain)/loss on fair valuation of investment	(459.09)	72.78
(Profit)/loss on sale of assets (net)	39.94	1.53
Dividend income classified as investing cash flows	(758.73)	(671.01)
Finance income classified as investing cash flows	(20.85)	(217.01)
Exchange fluctuation (gain)/ loss - net	(423.12)	(561.53)
Finance costs	981.65	1,538.19
Operating profit before working capital changes	48,791.70	56,514.89
Change in operating assets and liabilities		
(Increase) / decrease in inventories	(5,415.37)	(11,017.80)
(Increase) / decrease in trade receivables	935.36	(3,486.36)
(Increase) / decrease in other bank balances	(577.26)	(203.82)
(Increase) / decrease in loans	(4.58)	1.93
(Increase) / decrease in other financial assets	(721.12)	(542.95)
(Increase) / decrease in other current assets	1,349.80	1,164.23
Increase / (decrease) in trade payables	2,722.67	(1,009.36)
Increase / (decrease) in provisions	114.66	(103.01)
Increase / (decrease) in government grants	393.55	973.50
Increase / (decrease) in other financial liabilities	1,505.91	1,354.94
Increase / (decrease) in other current liabilities	(3,302.42)	(955.16)
Cash generated from working capital changes	(2,998.80)	(13,823.86)
Less - direct tax paid	(11,951.62)	(17,517.22)
Net cash inflow from operating activities	33,841.28	25,173.81
II Cashflow from investing activities		
Proceeds from sale of property, plant and equipment	27.06	80.44
Payment for purchase of property, plant and equipment	(17,251.86)	(9,551.98)
Proceeds from sale of investments	838.75	1,041.93
Payment for purchase of investments	(444.32)	11,215.10
Dividend income	758.73	671.01
Non-current assets held for sale	(119.24)	-
Net cashflow from investing activities	(16,190.88)	3,456.50

Statement of Consolidated Cash Flow

for the year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
III Cashflow from financing activities		
Finance Income	20.85	217.01
Finance costs	(1,016.39)	(1,786.00)
Proceeds from Borrowings	652.31	(11,736.04)
Dividend paid to company's shareholders (including DDT)	(17,176.21)	(14,935.82)
Net cashflow from financing activities	(17,519.44)	(28,240.85)
IV Net increase / (decrease) in cash and cash equivalents at the end of the year (I+II+III)	130.96	389.46
V Cash and cash equivalents at the beginning of the financial year	550.77	161.31
VI Cash and cash equivalents at the end of the financial year (IV+V) (Refer note 11.1)	681.73	550.77

Cash Components

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balances with banks (current accounts)	652.24	527.91
Cash on hand	29.49	22.86
	681.73	550.77

The Group reports cashflows from activities using the indirect method as per Ind AS 7 "Statement of Cash Flows".

As per our report of even date

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

For **FINOLEX INDUSTRIES LIMITED**

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

Director - Finance & CFO

DIN: 00142052

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DIN: 00011322

Devang Trivedi

Company Secretary

M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Statement of Consolidated Changes in Equity

for the year ended March 31, 2018

A Equity share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balance as at beginning of the year	12,409.54	12,409.54
Changes in equity share capital during the year	-	-
Balance as at end of the year	12,409.54	12,409.54

B Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus				Items of OCI	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Equity instruments through OCI	
As at April 1, 2017	15,126.81	110,981.30	39,450.22	2,517.93	50,991.20	219,067.46
Profit for the period		30,633.36				30,633.36
Other Comprehensive Income for the year						
Remeasurement gains/ (losses) on defined benefit plan (Refer Note 36)		(86.99)				(86.99)
Add: Share in OCI of associate		0.65				0.65
Gains / (losses) on equity instruments designated at FVOCI					34,726.54	34,726.54
Total comprehensive income	15,126.81	141,528.32	39,450.22	2,517.93	85,717.74	284,341.02
Dividends (Refer Note 17)		(14,270.97)				(14,270.97)
Dividend distribution tax (includes share in DDT of associate)(Refer Note 17)		(2,966.77)				(2,966.77)
As at March 31, 2018	15,126.81	124,290.58	39,450.22	2,517.93	85,717.74	267,103.28

Statement of Consolidated Changes in Equity

for the year ended March 31, 2018

For the year ended March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and Surplus					Items of OCI	Total
	Securities premium	Retained earnings	General reserve	Share capital buyback reserve	Debenture redemption reserve	Equity instruments through OCI	
As at April 1, 2016	15,126.81	90,510.41	31,950.22	2,517.93	7,500.00	(964.74)	146,640.63
Profit for the period		35,484.73					35,484.73
Other comprehensive income for the year							
Remeasurement gains (losses) on defined benefit plan (Refer Note 36)		(71.66)					(71.66)
Add: Share in OCI of associate		5.75					5.75
Gains (losses) on equity instruments designated at FVOCI						51,955.94	51,955.94
Total comprehensive income	15,126.81	125,929.23	31,950.22	2,517.93	7,500.00	50,991.20	234,015.39
Dividends (Refer Note 17)		(12,409.54)					(12,409.54)
Dividend distribution tax (Refer Note 17)		(2,538.39)					(2,538.39)
Transfer from retained earnings			7,500.00		(7,500.00)		
As at March 31, 2017	15,126.81	110,981.30	39,450.22	2,517.93	-	50,991.20	219,067.46

Notes to accounts form an integral part of the financial statements

As per our report of even date

For **FINOLEX INDUSTRIES LIMITED**

For **M/s. P.G. Bhagwat**

Chartered Accountants

FRN 101118W

Abhijeet Bhagwat

Partner

M.No. 136835

Anil V. Whabi

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M. No. ACS 13339

Sanjay S. Math

Managing Director

DIN: 01874086

Place: Pune

Date: May 23, 2018

Place: Pune

Date: May 23, 2018

Notes to the Consolidated Financial Statements

1. Corporate Information

The consolidated financial statements comprise financial statements of Finolex Industries Limited ('FIL' or 'the Group') and its associates for the year ended March 31, 2018.

FIL is incorporated and domiciled in India and its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. Its registered office is situated at Gat No.399, Village Urse, Taluka Maval, District Pune, India.

The Group is engaged in the business of manufacturing PVC pipes & fittings, manufacturing of PVC resin and power generation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 23, 2018.

2. Summary of significant accounting policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Rules').

The financial statements have been prepared on accrual basis and under historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the

nearest Lakhs (INR 00,000), except when otherwise indicated.

2.1 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and

Notes to the Consolidated Financial Statements

dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

2.2 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate, since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If

Notes to the Consolidated Financial Statements

the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Fair value measurement

The Group measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair

Notes to the Consolidated Financial Statements

value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic

benefits will flow to the Group and revenue can be reliably measured, regardless when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty other than excise duty.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory risk.

Group has assumed that recovery of excise duty flows to the Group on its own account. Accordingly, it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty (up to June 30, 2017)*.

However, sales tax/value added tax (VAT) & Goods and Service Tax (GST applicable from July 1, 2017) * is not received by the Group on its own account. Accordingly, it is excluded from revenue.

*Goods and Service Tax was introduced from July 1, 2017. Indirect taxes like excise duty, service tax and sales tax/VAT have been subsumed into the new Act.

The specific recognition criteria described below must also be met before revenue is recognised.

Notes to the Consolidated Financial Statements

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually when goods are dispatched or on delivery, as per the terms of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

The Group presents interest income on financial assets at Fair Value Through Profit & Loss separately from fair value changes on financial assets.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.5 Foreign currencies

The Group's financial statements are presented in Indian Rupees ('INR'), which is its functional currency.

2.5.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

2.5.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

2.6 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

Notes to the Consolidated Financial Statements

2.7 Taxes

2.7.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.7.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the

accounting profit nor taxable profit or loss;

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary

Notes to the Consolidated Financial Statements

differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts

will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (except for financial instruments, which are measured at fair value). The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan for sale will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

2.9 Property, plant and equipment (PPE)

The Group as per Ind AS 101, has opted to continue with the written down value of PPE as at 1st April 2015 as deemed amortised cost of PPE but presents the gross value and accumulated depreciation separately in the block of PPE in the financial statements.

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and borrowing costs, if the recognition criteria are met.

Notes to the Consolidated Financial Statements

When significant parts of property, plant and equipment are required to be replaced at intervals; the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives as specified in Schedule II to the Companies Act, 2013 which are as follows:

Asset	Useful life (in years)
Plant and machinery	3 to 25
Building	60
Factory Building	30
Furniture and fixtures	10
Office equipment's	5
Vehicles	8

In the case of Captive Power Plant the management, based on a technical evaluation, has estimated the life of asset to be 25 years which is lower than the life prescribed in Schedule – II.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal

proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

2.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.10.1 Group as a lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

An operating lease is a lease other than a finance lease. Operating lease

Notes to the Consolidated Financial Statements

payments are recognised as an operating expense in the statement of profit and loss on a straight-line basis over the lease term.

2.10.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over a period of 6 years using straight line method.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.13.1 Financial assets

2.13.1.1 Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through other profit or loss ('FVTPL').

2.13.1.2 Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

Notes to the Consolidated Financial Statements

2.13.1.3 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition

and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the profit and loss statement. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such instruments are measured at fair value at initial recognition as well as at each reporting date fair value movements are recognised in the Other Comprehensive Income ('OCI'). Interest income, impairment

Notes to the Consolidated Financial Statements

losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest earned on such instruments is reported as interest income using the EIR method.

Further, the Group may make an irrevocable election at initial recognition, to classify as FVOCI, particular investments in equity instruments (except equity instruments held for trading) that would otherwise be measured as FVTPL. The Group makes such an election on an instrument-by-instrument basis. Such instruments are measured at fair value on initial recognition as well as at each reporting date. All fair value changes are recognised in OCI. There is no recycling of amounts from OCI to statement of profit and loss, even on de-recognition. However, the Group may transfer the cumulative gain/loss within equity. Dividend received on these equity investments is recorded in the profit and loss statement.

(c) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost or

at FVOCI. The Group classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss. Further, the Group may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency.

2.13.1.4 De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.13.1.5 Impairment of financial assets

The Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the

Notes to the Consolidated Financial Statements

following financial assets and credit risk exposure:

- Financial assets measured at amortised cost
- Financial assets measured at FVOCI, except investments in equity instruments designated as such by the Group.
- Trade receivables under Ind-AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

The impairment loss/ (gain) is recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

2.13.2 Financial liabilities

2.13.2.1 Classification

Financial liabilities are classified, at initial recognition, as subsequently measured

at amortised cost or at fair value through profit or loss ('FVTPL').

2.13.2.2 Initial recognition and measurement

the case of financial liabilities not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition, if the

Notes to the Consolidated Financial Statements

criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

The Group has not designated any financial liability as at fair value through profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.13.2.3 De-recognition

A financial liability is derecognised when the obligation under the liability

is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

2.13.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials Purchase cost on a moving weighted average basis

Finished goods and work-in-progress cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

Notes to the Consolidated Financial Statements

completion and the estimated costs to sell.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.17 Provisions

Provisions are recognised when the Group has a present obligation as a

result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group.

A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group discloses contingent liability when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements.

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2.19 Provision for employment benefits

2.19.1 Defined contribution plans

The Group has the following defined contribution plans: state governed provident fund scheme and employee state insurance scheme. The contributions paid and payable under the scheme are recognised in the period when the employee renders the related service.

2.19.2 Defined benefit plans

Post-employment benefit in the form of gratuity fund scheme is a defined benefit plan. The present value of obligation under the scheme is determined based on actuarial valuation using the projected unit credit method ('PUCM'). The scheme is funded with an insurance Group in the form of a qualifying insurance policy.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date on which the Group recognises related restructuring

costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Refer Note 36 for additional disclosures relating to Group's defined benefit plan.

2.19.3 Provision for compensated absences

Provision for short term compensated absences is recognised for accumulated leaves that are expected to be utilized within a period of twelve months from the balance sheet date. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each reporting date.

2.20 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes

Notes to the Consolidated Financial Statements

that require a material adjustment to the carrying amount of asset or liability affected in future periods.

2.21 Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the financial statements:

2.21.1 Non-current asset held for sale

On February 6, 2018, the Group had received an offer from Peninsula Investment Management Group Limited to purchase the units of "PReF Indigo Scheme". Subsequently the Group has accepted the offer vide letter dated February 23, 2018 to Peninsula Investment Management Group expressing its intent to irrevocably sell its units to the Group at the NAV of March 31, 2017. The Group has an active plan and taken all necessary approvals to execute the sale. Accordingly, this investment was classified as non-current asset held for sale as on March 31, 2018, on account of the following factors:

- The asset is available for sale in the present condition
- The sale is highly probable, which is evident from the following:
- The Group's management has a committed to plan to sell the non-current asset
- Active program to complete the plan is initiated
- The sale is expected to be executed within one year

2.21.2 Classification of non-current investments

The Group has classified investment in Finolex Plasson Industries Limited and Pawas Port Limited as investment in associates and accordingly investment in equity shares of these companies have been measured at cost.

The non-current investments in equity shares of Finolex Cables Limited and Finolex Infrastructure Limited which the Group considers to be strategic in nature have been classified as investments measured at fair value through Other Comprehensive Income.

2.22 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Group's control. Such changes are reflected in the assumptions when they occur.

2.22.1 Defined benefit plans

The Group has a defined benefit plan i.e. gratuity fund scheme. The cost and the present value of the obligation arising out of the gratuity scheme are

Notes to the Consolidated Financial Statements

determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.22.2 Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of balance sheet cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the discounted cash flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial

instruments. Please refer Note 39 for further details of fair valuation approach and inputs used for various financial instruments.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 amending Ind AS 115 Revenue from Contracts with Customers, Appendix D to Ind AS 115 Service Concession Arrangements and Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration (corresponding to IFRIC 22). Ind AS 11 Construction Contracts and Ind AS 18 Revenue will be omitted.

Notes to the Consolidated Financial Statements

3.1 Property, plant and equipment

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost		Accumulated Depreciation		Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold land	6,867.42	126.23	-	6,993.65	-	6,867.42
Leasehold land	100.70	-	-	100.70	26.62	74.08
Buildings	21,550.06	430.49	-	21,980.55	7,205.85	14,344.21
Plant and machinery	166,801.38	8,130.66	139.11	174,792.93	103,947.70	62,853.68
Office equipment	257.30	14.88	81.56	190.62	148.85	108.45
Furniture & fixtures	1,176.71	53.55	631.25	599.01	911.96	264.75
Vehicles	883.97	281.59	41.10	1,124.46	230.32	653.65
Total	197,637.54	9,037.40	893.02	205,781.92	112,471.30	85,166.24
Capital work-in-progress	2,174.85	-	-	9,034.10	-	9,034.10

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost		Accumulated Depreciation		Net Block	
	As at April 1, 2016	Additions	Disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Freehold land	6,778.37	89.05	-	6,867.42	-	6,867.42
Leasehold land	100.70	-	-	100.70	25.13	74.08
Buildings	21,427.70	134.60	12.24	21,550.06	6,587.53	14,344.21
Plant and machinery	161,412.90	5,515.50	127.02	166,801.38	99,374.39	62,853.68
Office equipment	219.22	40.67	2.59	257.30	109.79	108.45
Furniture & fixtures	1,137.76	40.84	1.89	1,176.71	848.39	264.75
Vehicles	775.42	161.34	52.79	883.97	181.32	653.65
Total	191,852.07	5,982.00	196.53	197,637.54	107,126.55	85,166.24
Capital work-in-progress	661.55	-	-	2,174.85	-	2,174.85

Movable property, plant and equipment :

For details of property, plant and equipment pledged as security for liabilities, please refer to Note 21.

Capital work-in-progress:

Capital work-in-progress ('CWIP') comprises cost of property, plant and equipment that are not yet installed and ready for their intended use at the balance sheet date.

Notes to the Consolidated Financial Statements

3.2 Intangible assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost		Accumulated Depreciation			Net Block	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	As at March 31, 2018	As at March 31, 2017
Computer software	597.24	1.39	9.44	589.18	250.67	332.65	346.57
					82.10	0.12	256.53

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Cost		Accumulated Depreciation			Net Block	
	As at April 1, 2016	Additions	Disposals	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at March 31, 2017
Computer software	416.85	180.39	-	597.24	177.78	-	346.57
					72.89	250.67	250.67

The Company had opted to continue and disclose the previous GAAP carrying values (written down value) of property, plant and equipment as on April 1, 2015, as the deemed cost under IND AS. In the current year the management has decided to present such adopted values on Gross basis (i.e. gross value of asset and accumulated depreciation separately) and as such previous year's figures have been regrouped.

Notes to the Consolidated Financial Statements

4 Non-current investments

List of investments under each category

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars

Quoted and listed

Investments in equity shares

Investments designated at fair value through other comprehensive income

Equity Shares of ₹2 each in
Finolex Cables Limited

No of shares	Value of investments
March 31, 2018	March 31, 2017
22,187,075	22,187,075
147,271.15	114,622.66

Investments designated at fair value through profit and loss

Equity Shares of ₹2 each in Gulf
Oil Corporation Limited

4,950	9,900	24.81	35.94
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Equity Shares of ₹2 each in Gulf
Oil Lubricants India Limited

4,950	-	45.06	-
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Equity Shares of ₹10 each in Gold
Crest Corporation Limited

12,400	12,400	6.23	4.26
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		76.10	40.20
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Unquoted

Investments designated at fair value through other comprehensive income

Equity Shares of ₹10 each in

a) Finolex Infrastructure Limited

5,373,938	5,373,938	862.58	862.58
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Investments designated at fair value through profit and loss

Equity Shares of ₹10 each in

a) The Saraswat Co-op Bank
Limited

1,000	1,000	0.10	0.10
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Units of ₹100,000 each in Peninsula Realty Fund (refer note 15)

-	381	-	280.55
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Investments measured at cost

Associate Companies

Equity Shares of ₹10 each in

a) Finolex Plasson Industries
Private Limited

4,635,000	4,635,000	4,891.40	4,417.53
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Dividend received

		(92.70)	(115.88)
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Share in DDT

		(61.33)	-
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Notes to the Consolidated Financial Statements

4 Non-current investments (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of shares		Value of investments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Share in current year profits			1,634.53	932.42
Share in current year tax			(506.14)	(428.74)
Share in current year Deferred tax			35.13	80.32
Share in current year other comprehensive income			0.65	5.75
Total value of investment in associate			5,901.54	4,891.40
b) Pawas Port Limited	49,994	49,994	5.00	5.00
			5,906.54	4,896.40
Total			154,116.47	120,702.49

The Company measures its investments in associates at cost, as per option provided by Ind AS 27.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Aggregate value of quoted investments (cost)	10,266.19	10,266.19
Aggregate market value of quoted investments	147,347.25	114,662.86
Aggregate value of unquoted investments (cost)	537.49	918.86
Aggregate value of unquoted investments (fair value)	862.68	1,143.23

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk Management Strategy

Refer Note 41 on risk management objectives and policies for financial instruments.

5 Non-current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Loans to employees	4.56	4.62
Total	4.56	4.62

Notes to the Consolidated Financial Statements

6 Other non-current financial assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Security deposits		
Considered good	182.52	183.17
Doubtful	8.28	8.28
	190.80	191.45
Less: Provision for doubtful deposits	(8.28)	(8.28)
	182.52	183.17
Claims receivable (under mega incentive schemes) (Refer Note 20)	2,005.20	5,443.48
Other deposits		
Unsecured, considered good	1.73	106.05
Doubtful	84.94	65.00
	86.67	171.05
Less: Provision for doubtful deposits	(84.94)	(65.00)
	1.73	106.05
Total	2,189.45	5,732.70

Security deposits comprise of deposit with various government agencies and others.

Other deposits primarily relate to inter-corporate deposit.

7 Other non-current assets

(Unsecured, considered good unless otherwise stated)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Capital advances	3,782.00	2,427.72
Other advances		
Advances to subcontractors		
Unsecured, considered good	1,073.63	582.60
Doubtful	484.82	504.76
	1,558.45	1,087.36
Less: Provision for doubtful advances	(484.82)	(504.76)
	1,073.63	582.60
Amounts deposited under protest	500.00	500.00
Prepaid expenses	136.35	43.82
Claims Receivable		
-Excise, Service Tax, Customs	191.93	225.40
-VAT and sales tax	4,975.78	4,480.44
Advance tax (net of provision)	5,246.30	4,356.27
Total	15,905.99	12,616.25

Amounts deposited under protest primarily relates to amount deposited with Dispute Resolution Panel in connection with a dispute with bank (₹500 Lakhs).

Notes to the Consolidated Financial Statements

8 Inventories

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Raw materials	27,900.45	27,836.04
Work-in-progress	4,737.62	2,585.59
Finished goods	22,986.91	19,913.19
Stores and spares	5,336.64	5,197.21
Packing material	193.78	208.00
Total	61,155.40	55,740.03

- Raw materials include goods in transit of ₹3,212.98 Lakhs (₹4,486.91 Lakhs as at March 31, 2017)
- The above inventories are hypothecated against current borrowings. Also Refer Note. 21
- Refer Note 2.14 for basis of valuation of inventories.
- Write-down of inventories to net realisable value (net of reversal) amounted to ₹529.86 Lakhs (March 31, 2017: ₹1,207.81 Lakhs). These were recognised as an expenses during the year and included in material consumption.

9 Current investments

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Investment in Mutual Fund classified as fair value through profit and loss				
Quoted but not listed				
Mutual Fund (MF) Units of ₹100 each				
Aditya Birla Sun Life Cash Plus Direct Plan - Growth	451,862.60	-	1,262.12	-
ICICI Prudential Money Market Fund Direct Growth	478,657.78	-	1,151.00	-
UTI Fixed Income Interval Fund V Quarterly Interval Plan Retail Option Growth	3,341,894.95	-	707.04	-
Mutual Fund (MF) Units of ₹1,000 each				
Axis MF - Axis Liquid Fund -Growth	-	2,88,282.09	-	5,198.38
UTI Liquid Fund- Cash Plan- Growth	-	17,174.81	-	457.41
Axis Liquid Fund- Direct Plan- Growth	72,825.30	-	1,403.73	-
DSP Blackrock Liquidity Fund - Direct Plan - Growth	56,517.32	-	1,404.63	-

Notes to the Consolidated Financial Statements

9 Current investments (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	No of units		Value of investments	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Tata Liquid Fund- Direct Plan- Growth	8,743.99	-	280.14	-
UTI Money Market Fund				
Institutional Regular Plan Growth	18,071.70	-	350.52	-
Total			6,559.18	5,655.79

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Aggregate value of quoted investments (cost)	6,530.32	5,582.61
Aggregate market value of quoted investments	6,559.18	5,655.79

Fair Value disclosures

Fair value disclosures for financial assets and liabilities are stated in Note 39 and fair value hierarchy disclosures for investment are stated in Note 40.

Risk Management Strategy

Refer Note 41 on risk management objectives and policies for financial instruments.

10 Trade receivables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Trade receivables		
Unsecured, considered good	4,313.93	5,249.29
Doubtful	12.96	12.96
	4,326.89	5,262.25
Impairment allowance (allowance for bad and doubtful debts)	(12.96)	(12.96)
Total	4,313.93	5,249.29

For terms and conditions relating to related party receivables, Refer Note 37.

Trade receivables from companies in which director is a director or member

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Finolex Plasson Industries Private Limited	-	75.64
Finolex Cables Limited	-	21.91

Group's trade receivables consist of receivables from dealers and customers against sales of pipes and fittings and PVC resin. Trade receivables are mostly on terms of advance payment and credit period is given selectively in few cases only. Group also charges interest @ 18% p.a in case of default in collection of trade receivables.

Notes to the Consolidated Financial Statements

11.1 Cash and cash equivalents

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Balances with banks (current accounts)	652.24	527.91
Cash on hand	29.49	22.86
Total	681.73	550.77

11.2 Other bank balances

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Unpaid dividend accounts	1,660.93	1,083.67
Total	1,660.93	1,083.67

12 Current loans

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Loans to Employees	21.40	16.76
Total	21.40	16.76

13 Other current financial assets

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Security deposits	16.02	-
Claims receivable (under mega incentive schemes) (also refer Note 20)	4,184.42	-
Other receivables	6.15	24.69
Total	4,206.59	24.69

14 Other current assets

(Unsecured, considered good)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Advances to vendors	1,681.77	667.47
Prepaid expenses	348.07	247.94
Claims receivable	181.37	3,691.02
(includes Excise, Service Tax, Customs, GST)		
Total	2,211.21	4,606.43

Notes to the Consolidated Financial Statements

15 Non-current assets held for sale

Non-current assets held for sale comprises of investment in units of Peninsula Realty Fund.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
381 Units of ₹1,00,000 each in Peninsula Realty Fund	119.24	-

For the year ended March 31, 2018, the Company had decided to sell its investment in the said company. As on March 31, 2018, the Company had taken the necessary actions to complete the sale and expected the sale to take place within one year.

16 Share capital

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	Amount	No. of shares*	Amount
Authorised:				
Equity shares of ₹10 each	150,000,000	15,000.00	150,000,000	15,000.00
Unclassified share capital	85,000,000	8,500.00	85,000,000	8,500.00
	235,000,000	23,500.00	235,000,000	23,500.00
Issued, subscribed and fully paid up:				
Equity shares of ₹10 each fully paid	124,095,381	12,409.54	124,095,381	12,409.54
	124,095,381	12,409.54	124,095,381	12,409.54

Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the year	124,095,381	12,409.54	124,095,381	12,409.54
Add: Allotted during the year	-	-	-	-
Outstanding at the end of the period	124,095,381	12,409.54	124,095,381	12,409.54

Terms/ Rights attached to equity shares:

The Company has only class of equity shares having a par value of ₹10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements

16 Share capital (contd..)

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2018		March 31, 2017	
	No. of shares*	% holding	No. of shares*	% holding
Equity shares of ₹10 each fully paid				
Finolex Cables Ltd.	40,192,597	32.39%	40,192,597	32.39%
Orbit Electricals Private Limited	23,330,901	18.80%	23,330,901	18.80%

* No. of shares are in full figures

17 Other equity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Retained earnings	Share capital buyback reserve	Share premium	General reserve	Debenture redemption reserve	Other Comprehensive Income	Total
As at March 31, 2016	90,510.41	2,517.93	15,126.81	31,950.22	7,500.00	(964.74)	1,46,640.63
Add : Profit for the year	35,484.73						35,484.73
Add: Other comprehensive income for the year						51,955.94	51,955.94
Add/(Less):Remeasurement gains (losses) on defined benefit plan	(71.66)						(71.66)
Add: Excess dividend tax provision reversed	(12.10)						(12.10)
Add: Share in OCI of associate	5.75						5.75
Add: Transfer from Debenture redemption reserve				7,500.00	(7,500.00)		
Less: Appropriations							
-Dividend declared	(12,409.54)						(12,409.54)
-Tax on dividend declared	(2,526.29)						(2,526.29)
As at March 31, 2017	110,981.30	2,517.93	15,126.81	39,450.22	-	50,991.20	219,067.46
Add : Profit for the year	30,633.36						30,633.36
Add: Other comprehensive income for the year						34,726.54	34,726.54
Add/(Less):Remeasurement gains (losses) on defined benefit plan	(86.99)						(86.99)
Add: Share in OCI of associate	0.65						0.65
Less: Appropriations							
-Dividend declared	(14,270.97)						(14,270.97)
-Tax on dividend declared (Includes share in DDT of associate)	(2,966.77)						(2,966.77)
As at March 31, 2018	124,290.58	2,517.93	15,126.81	39,450.22	-	85,717.74	267,103.28

Notes to the Consolidated Financial Statements

17 Other equity (contd..)

17.1 Nature and purpose of reserves

1) Share capital buyback reserve

During financial year ended March 31, 2002 and March 31, 2003, the company bought back shares of the company out of free reserves and in order to comply with the requirements of company law the company created share capital buy back reserve to the extent of the face value of shares bought back.

2) General reserve

Till April 1, 2013, the company was governed by provisions of the Companies Act of 1956. As per the requirements of this act read along with Companies (Transfer of Profit to Reserve) Rules, 1975, any company declaring dividend in excess of 10% of face value of equity share was mandatorily required to transfer specified (%) of amount to general reserve. Accordingly, the company has transferred amount to this reserve over the years to comply with the company law requirements.

17.2 Other comprehensive income, net of tax

The disaggregation of changes in OCI by each type of reserve

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
FVOCI reserve	85,717.74	50,991.20
Total	85,717.74	50,991.20

17.3 Distribution made and proposed

(All amounts in ₹ Lakhs unless otherwise stated)

Cash dividends on Equity shares declared and paid	March 31, 2018	March 31, 2017
Final dividend for 2015-16: ₹10 per share	-	12,409.53
Dividend distribution tax on above final dividend	-	2,526.29
Final dividend for 2016-17: ₹11.50 per share	14,270.97	-
Dividend distribution tax on above final dividend	2,905.24	-

17.4 Dividends proposed before annual general meeting but not recognised as a liability

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Proposed Dividend	12,409.54	14,270.97
Dividend per share (₹)	10.00	11.50

Proposed dividend on equity shares are subject to approval of the shareholders of their Company at the annual general meeting and are not recognised as a liability (including taxes thereon) as at March 31, 2018.

Notes to the Consolidated Financial Statements

18 Non-current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Trade & security deposits	32.39	34.90
Total	32.39	34.90

19 Provisions

19.1 Non-current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Employee benefit obligations		
Gratuity (Refer Note 36)	886.54	710.11
Others		
Compensated absences (Refer Note 36)	456.94	404.52
Total	1,343.48	1,114.63

19.2 Current provisions

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Employee benefit obligations		
Gratuity (Refer Note 36)	85.00	76.00
Others		
Compensated absences (Refer Note 36)	57.60	47.06
Total	142.60	123.06

20 Government grants

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Deferred income from industrial promotion subsidy	7,073.50	6,679.95
Non-current	6,444.50	6,134.62
Current	629.00	545.33

- a) The company is entitled to receive Industrial Promotion Subsidy under the Package Scheme of Incentives, during the period from April 1, 2011 to March 31, 2018. The aforesaid subsidy is in relation to investments in property, plant and equipment at Ratnagiri plant. Accordingly, the same has been classified as grant related to assets and the company is recognising revenue from grant over the life of the property, plant and equipment.

Notes to the Consolidated Financial Statements

20 Government grants (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
As at the beginning of the year	6,679.95	5,706.45
Recognised during the year	1,669.17	2,292.79
Released to the statement of profit and loss	(1,275.62)	(1,319.29)
As at the end of the year	7,073.50	6,679.95

- b) The Company has received the eligibility certificate for the industrial promotion subsidy under the package incentive scheme. The government grant receivable includes electricity duty refund of prior years amounting to ₹1,350.33 Lakhs (March 31, 2017 - ₹2,273.87 Lakhs)

21 Current borrowings

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Acceptances from banks:		
Secured	5,207.69	9,418.47
Unsecured	4,759.44	-
Bank overdraft	103.65	-
Total	10,070.78	9,418.47

Details of terms of borrowings and security for the borrowings

The aggregate limits of working capital borrowings of ₹1,39,575 Lakhs (₹1,39,575 Lakhs as at March 31, 2017) from the Bank of India Consortium together with all interest, liquidated damages, costs, charges and other moneys payable under working capital consortium agreement/sanction letters are secured by:

- 1) Hypothecation of inventories and book debts; and
- 2) Extension of second equitable mortgage, created in favour of Bank of India Consortium on pari passu basis with other second charge holder by deposit of title deeds with Axis Bank Ltd (ABL), New Delhi. ABL acting as an agent for Bank of India Consortium, which ranks subsequent and subservient in rank of priority over the first equitable mortgages created by deposit of title deeds in respect of immovable properties falling within the battery limit of the site of the Company's plant for manufacture of PVC Resin, situated at Village Golap, District Ratnagiri in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth.

Notes to the Consolidated Financial Statements

22 Trade payables

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Trade payables		
a) total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 43)	59.67	38.99
b) total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	24,987.74	22,708.87
Total	25,047.41	22,747.86

Trade payables are non-interest bearing and are normally settled within 30 to 45 days. Refer Note 41 for discussion on Company's credit risk management policies and procedures.

23 Other current financial liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest accrued	11.28	46.02
Payable to employees	1,969.83	2,292.50
Payables for expenses	3,382.48	2,128.65
Unpaid dividend	1,660.93	1,083.67
Total	7,024.52	5,550.84

24 Other current liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Advances from customers	2,933.83	2,860.04
Statutory dues (includes indirect and withholding taxes)	1,039.42	4,415.65
Total	3,973.25	7,275.69

25 Income taxes

A Composition of income tax expense is as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Statement of profit and loss		
Current tax		
Current income tax charge	14,591.82	16,362.56
Adjustments in the period for current tax of prior periods	(1,088.76)	-
Deferred tax		
Relating to temporary differences	1,031.67	544.66
Adjustments in the period for deferred tax of associate	256.81	121.02
Income tax expense reported in the statement of profit and loss	14,791.54	17,028.24

Notes to the Consolidated Financial Statements

25 Income taxes (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Other comprehensive income		
Deferred tax related to items recognised in OCI during the year:		
Remeasurement gains/ (losses) on defined benefit plans	46.74	37.93
Fair value changes of financial assets	2,078.05	105.92
Income tax charged to OCI	2,124.79	143.85

B Reconciliation between tax expense and accounting profit multiplied by tax rate

Current taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Accounting profit before tax expense	45,424.90	52,512.97
At India's statutory tax rate 34.608% (March 31, 2017 34.608%)	34.608%	34.608%
Computed tax expense	15,720.65	18,173.69
Adjustments for:		
Donations made disallowed as deductions	8.91	10.63
Loss on sale of asset	-	0.53
Corporate social responsibility expenses	153.82	150.09
Provision for expenses not allowed in tax	125.54	0.71
Other non-deductible expenses	-	40.26
Capital gains	-	312.46
Government grants exempted from tax	-	(13.13)
Dividend income accrued in current year exempt from tax	(230.49)	(232.22)
Profit on sale of assets	-	(0.45)
Profit on sale of investments	-	(312.46)
Agricultural income U/S.10(1) (Income from Mango Harvesting contract.)	(2.23)	(1.13)
Deduction allowed income tax	(287.38)	(1,316.67)
Difference on capital gain tax rate	-	52.60
Other income credited to profit & loss, either exempt or considered separately	-	(112.98)
Impact of change in rate	162.35	-
Previous years tax provision write off	(1,088.76)	-
Other items	31.50	4.00
Goodwill and unrealised profit	(126.99)	
Deferred tax on consolidation	291.94	201.34
Difference on account of associate	32.68	12.84
Difference in tax rate of DDT	-	58.13
At the effective tax rate of 32.56% (March 31, 2017: 32.43%)	14,791.54	17,028.24
Income tax expense reported in the statement of profit and loss	14,791.54	17,028.24

Notes to the Consolidated Financial Statements

25 Income Taxes (contd..)

C Composition of deferred tax assets and deferred tax liabilities and deferred tax (expense)/income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Deferred tax liabilities				
Depreciation	(17,437.21)	(16,152.47)	(1,284.74)	(824.37)
Fair valuation of FVOCI investment	-	(35.11)	-	-
Deferred tax assets				
Fair valuation of FVOCI investment	2,042.94	-	-	-
Deferred income	2,471.76	2,311.43	160.33	336.77
Fair valuation of FVTPL investment	128.20	88.00	40.20	36.43
Disallowances u/s 43 B of Income Tax Act	-	-	-	(94.05)
Provision for Doubtful debts & advances	206.52	167.79	38.73	-
Deferred tax on consolidation	(2,095.82)	(1,803.87)	(256.28)	(121.02)
Leave encashment	179.80	156.28	23.52	(88.48)
Defined benefit obligation and others	339.50	303.01	(10.24)	89.04
Deferred tax (expense)/income	-	-	(1,288.48)	(665.68)
Net deferred tax assets/(liabilities)	(14,164.31)	(14,964.94)		

D Composition of deferred tax assets and deferred tax liabilities

Deferred taxes are measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliation of deferred tax liabilities, (net)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
As at the beginning of the year	(14,964.94)	(14,363.32)
Tax (expense)/ income recognised in the statement of profit and loss	(1,288.48)	(665.68)
Share of associate	(35.68)	(80.33)
Tax (expense)/ income recognised in the OCI	2,124.79	144.39
As at the end of the year	(14,164.31)	(14,964.94)

Notes to the Consolidated Financial Statements

25 Income Taxes (contd..)

E Composition of deferred tax (expense)/ income recognised in the statement of profit and loss

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Deferred tax income	262.78	462.24
Deferred tax expense	(1,551.26)	(1,127.92)
Net deferred tax (expense)/ income	(1,288.48)	(665.68)

26 Revenue from operations

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Sale of products (Refer note below)	280,008.65	295,572.01
Other operating revenue		
a) Scrap sales	1,586.53	1,630.35
b) Recovery of port charges	269.80	242.04
c) Unwinding of deferred income (government grant) (Refer Note 20)	1,275.62	1,319.30
Total	283,140.60	298,763.70

Sale of goods includes excise duty collected from customers of ₹9,361.80 Lakhs up to quarter ended June 30, 2017 (March 31, 2017: ₹38,527.28 Lakhs) as per guidelines prescribed in Ind AS 18 "Revenue." From July 1, 2017, as per the said guidelines, Goods and Service Tax (GST) charged, is excluded from sales of goods. Also Refer Note 2.4 and 46.

27 Other income

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest on financial assets measured at FVTPL		
a) Overdue receivables from customers	17.39	32.63
b) Others (including employee loans and other interest received)	3.46	184.38
Dividend from non-current investments	666.03	555.14
Net gain / (loss) on fair value changes on investment classified as FVTPL	459.09	(72.78)
Net gain on disposal of current investments (mutual funds)	594.10	902.85
Net foreign currency exchange gain	423.12	561.53
Other non-operating income		
a) Insurance claims received	194.36	14.05
b) Others	82.15	138.82
Total	2,439.70	2,316.62

Notes to the Consolidated Financial Statements

28 Cost of materials consumed

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Cost of raw materials consumed	178,891.49	164,407.22
Packing material consumed	2,774.26	2,439.92
Total	181,665.75	166,847.14

Cost of raw material consumed excludes excise duty paid of ₹9,361.80 Lakhs up to quarter ended June 30, 2017 (March 31, 2017: ₹38,527.28 Lakhs). Excise duty paid has been disclosed separately on the face of statement of profit and loss account.

29 Changes in inventories of finished goods and work-in-progress

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Inventories at the end of the year		
Work-in-progress	4,737.62	2,585.59
Finished goods	22,986.91	19,913.19
Sub Total (A)	27,724.53	22,498.78
Inventories at the beginning of the year		
Work-in-progress	2,585.59	3,746.79
Finished goods	19,913.19	12,861.30
Sub Total (B)	22,498.78	16,608.09
Changes in inventories of finished goods and work-in-progress (B-A)	(5,225.75)	(5,890.69)

30 Employee benefits expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Salaries, wages, bonus and leave encashment	9,840.49	9,008.21
Gratuity fund expense (Refer Note 36)	136.69	117.31
Contribution to provident fund and other funds (Refer Note 36)	357.73	299.78
Staff welfare expenses	1,279.79	1,063.94
Total	11,614.70	10,489.24

31 Finance cost

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest expense on borrowings and others	470.12	1,047.23
Other borrowing costs	171.51	168.54
Exchange differences regarded as an adjustment to borrowing costs	340.02	322.42
Total	981.65	1,538.19

Notes to the Consolidated Financial Statements

32 Depreciation and amortisation expense

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Depreciation on property, plant and equipment	5,978.48	5,431.72
Amortisation of intangible assets	81.98	72.90
Total	6,060.46	5,504.62

33 Other expenses

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Power and fuel	8,824.17	7,068.87
Stores and spares consumed	3,304.99	3,528.42
Other manufacturing expenses	9,594.95	7,930.71
Rent	204.13	245.11
Rates and taxes	1,280.28	1,100.24
Insurance	427.40	486.61
Repairs & maintenance (buildings)	614.17	647.46
Repairs & maintenance (plant & machinery)	2,140.17	1,657.52
Repairs & maintenance (others)	192.72	119.01
Communication expenses	322.74	301.29
Travelling and conveyance	682.30	1,008.14
Directors' sitting fees	35.62	30.36
Commission to non-executive directors	93.75	110.19
Auditor's remuneration :		
-Statutory audit fees	25.50	25.50
-Tax audit fees	5.00	5.00
-Limited review	6.00	6.00
-Certification	1.58	0.79
-Out of pocket expenses	0.59	0.58
Advertisement, publicity and sales promotion	3,826.37	3,937.98
Commission on sales	201.38	274.43
Freight outward & other selling expenses	1,049.37	998.58
Donations	25.75	30.72
Loss on sale of property, plant and equipment	39.94	0.22
Legal and professional fees	605.31	826.59
Corporate social responsibility (CSR) (refer note below)	848.55	433.69
Security expenses	557.32	524.73
Information technology maintenance	1,565.05	604.33
Industrial safety expenses	146.13	38.04
Housekeeping expenses	253.05	215.45
Printing and stationery expenses	128.84	67.98
Miscellaneous expenses	328.20	259.45
Total	37,331.32	32,483.99

Notes to the Consolidated Financial Statements

33 Other expenses (contd..)

Details of CSR expenditure:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
a) Amount required to be spent during the period	612.39	419.12
b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above		
Paid in cash	845.22	433.69
Yet to be paid in cash	3.33	-
Total	848.55	433.69

34 Segment Information

For management purposes, the Company is organised into business units based on their products and which has following three reportable segments :

- 1 PVC – engaged in producing and distributing PVC resin
- 2 Pipes and fittings – engaged in producing and distributing pipes and fittings required principally in the agriculture and construction industries
- 3 Power – engaged in generation of power for captive consumption

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss that is measured consistently with profit or loss in the financial statements. The Company's financing (including finance costs and finance income) and income taxes are not allocated to operating segments.

Year ended March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	50,256.83	232,883.72	0.05	283,140.60	-	283,140.60
Inter-segment	127,581.02	-	14,231.47	141,812.49	(141,812.49)	-
Total	177,837.85	232,883.72	14,231.52	424,953.09	(141,812.49)	283,140.60
Income/(Expenses)						
Depreciation and amortisation	(1,233.27)	(3,113.75)	(1,531.56)	(5,878.58)	-	(5,878.58)
Segment profit	33,884.30	13,393.18	788.72	48,066.20		48,066.20
Total assets	66,842.06	77,301.57	24,343.88	168,487.51	-	168,487.51
Total liabilities	14,452.30	10,400.93	2,738.19	27,591.42	-	27,591.42
Other disclosures						
Capital expenditure	1,782.36	15,364.49	12.88	17,159.73	-	17,159.73

Notes to the Consolidated Financial Statements

34 Segment Information (contd..)

Year ended March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	PVC	Pipes & fittings	Power	Total segments	Adjustments and eliminations	Total
Revenue						
External customers	77,076.34	221,687.30	0.06	298,763.70	-	298,763.70
Inter-segment	98,590.43	-	14,487.99	113,078.42	(113,078.42)	-
Total	175,666.77	221,687.30	14,488.05	411,842.12	(113,078.42)	298,763.70
Income/(Expenses)						
Depreciation and amortisation	(1,213.04)	(2,625.42)	(1,532.89)	(5,371.35)	-	(5,371.35)
Segment profit	35,467.81	17,740.82	3,290.05	56,498.68	-	56,498.68
Total assets	77,699.67	63,310.30	24,134.82	165,144.79	-	165,144.79
Total liabilities	22,801.87	7,388.23	2,177.31	32,367.41	-	32,367.41
Other disclosures						
Capital expenditure	343.00	5,470.51	1.10	5,814.61	-	5,814.61

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed for the entity as a whole.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed for the entity as a whole.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment profit	48,066.20	56,498.68
Unallocable income	2,415.60	2,386.67
Finance costs	(981.65)	(1,538.19)
Share of profit/ (loss) of associate before tax	1,634.53	932.42
Unallocable expense	(5,709.78)	(5,766.61)
Profit before tax	45,424.90	52,512.97

Notes to the Consolidated Financial Statements

34 Segment Information (contd..)

Reconciliation of assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment operating assets	168,487.51	165,144.79
Financial assets carried at FVTPL	76.10	320.85
Financial assets carried at FVOCI	147,271.15	115,485.24
Financial assets carried at cost	5,901.54	4,896.40
Current investments	6,559.18	5,655.79
Cash and cash equivalents (including other bank balances)	2,342.66	1,634.44
Non-current asset held for sale	119.24	-
Other unallocated assets	19,846.82	6,533.65
Total	350,604.20	299,671.16

Reconciliation of liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Segment operating liabilities	27,591.42	32,367.41
Deferred tax liabilities	14,164.31	14,964.94
Trade payables	407.96	324.93
Current tax liability	2,219.15	283.82
Short term borrowings	10,070.78	9,418.47
Financial liabilities at amortised cost	7,034.97	2,332.59
Interest accrued	11.28	46.02
Unpaid dividend	1,660.93	1,083.67
Provisions	1,486.08	1,237.69
Government grant	6,444.50	6,134.62
Total	71,091.38	68,194.16

Geographic information

In the year ended March 31, 2018, the Company has catered only to the needs of the Indian markets. As there was no export turnover during the year, there are no reportable geographical segments.

35 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

There are no potential shares that have a dilutive effect on the EPS.

Notes to the Consolidated Financial Statements

35 Earnings Per Share (EPS) (contd..)

The following reflects the income and share data used in the basic and diluted EPS computation

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Basic		
Net profit / (loss) after tax (in Rupees Lakhs)	30,633.36	35,484.73
Weighted average number of equity shares	1,240.95	1,240.95
Basic earnings/(loss) per share of ₹10 each	24.69	28.59

36 Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of ₹357.73 Lakhs (March 31, 2017: ₹299.78 Lakhs) is recognised as expenses and included in Note No. 30 Employee benefit expense

B. Defined benefit plans:

The Company has Gratuity as post employment benefit which is in the nature of defined benefit plan.

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

36 Disclosure pursuant to employee benefits (contd..)

March 31, 2018 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017	Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2018
		Service cost	Net interest (expense)/income	Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	(1,099.73)	(79.19)	(77.03)	(156.22)	59.68	-	65.02	(202.16)	(137.14)	-	(1,333.31)
Fair value of plan assets	313.62	(3.96)	23.49	19.53	(59.68)	-	(2.51)	6.02	3.41	84.99	361.87
Total benefit liability	(786.11)	(83.15)	(53.54)	(136.69)	-	-	62.41	(196.14)	(133.73)	84.99	(971.54)

March 31, 2017 : Changes in defined benefit obligation and plan assets

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2016	Cost charged to statement of profit and loss		Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2017
		Service cost	Net interest (expense)/income	Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity											
Defined benefit obligation	(984.02)	(66.10)	(73.30)	(139.40)	135.45	-	(67.77)	(43.99)	(111.76)	-	(1,099.73)
Fair value of plan assets	348.98	(3.44)	25.53	22.09	(135.45)	-	-	2.18	2.18	75.82	313.62
Total benefit liability	(635.03)	(69.54)	(47.77)	(117.31)	-	-	(67.77)	(41.81)	(109.58)	75.82	(786.11)

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to employee benefits (contd..)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Insured managed funds (LIC)	361.87	313.62
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Group's plans is shown below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.20%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	7.20%	8.00%
Expected average remaining working lives (in years)		
Gratuity	16.16	16.11
Compensated absences	16.30	16.35
Withdrawal rate (based on grade and age of employees)		
Gratuity	1.00%	1.00%
Compensated absences	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Sensitivity level	(Increase) / decrease in defined benefit obligation (Impact)	
		March 31, 2018	March 31, 2017
Discount rate	1% increase	97.10	83.58
	1% decrease	(111.55)	(96.18)
Future salary increase	1% increase	(100.02)	(85.92)
	1% decrease	88.88	76.28
Withdrawal rate	1% increase	(12.96)	(7.22)
	1% decrease	14.43	8.02

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in one significant assumption at a time, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to employee benefits (contd..)

The followings are the expected future benefit payments for the defined benefit plan :

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	197.14	144.24
Between 2 and 5 years	465.06	372.45
Beyond 5 years	1,297.87	721.59
Total	1,960.07	1,238.28

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	March 31, 2018	March 31, 2017
	Years	Years
Gratuity	12.22	12.55

The followings are the expected contributions to planned assets for the next year:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Gratuity	85.00	76.00

C. Other long-term employee benefits

The Group has compensated absences plan which is covered by other long-term employee benefits

March 31, 2018 : Changes in defined benefit obligation and plan assets of Compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2017	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2018
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 30)			
Compensated absences								
Defined benefit obligation	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	-	(514.53)
Benefit liability	(451.57)	(63.12)	(28.36)	(86.76)	(178.24)	115.28	-	(514.53)

Notes to the Consolidated Financial Statements

36 Disclosure pursuant to employee benefits (contd..)

March 31, 2017 : Changes in defined benefit obligation and plan assets of compensated absences

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	April 1, 2016	Cost charged to statement of profit and loss				Benefit paid	Contributions by employer	March 31, 2017
		Service cost	Interest cost	Actuarial changes arising from various assumption	Sub-total included in statement of profit and loss (Note 30)			
Compensated absences								
Defined benefit obligation	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	(451.57)
Benefit liability	(596.07)	(77.85)	(42.73)	141.05	20.47	124.03	-	(451.57)

37. Related party transactions

Related parties have been identified on the basis of requirement of Ind AS 24 "Related Party Disclosures" and representation made by the Key Management Personnel (KMP) and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of related parties

i) Name of the related party and nature of relationship where control exists

Name of the related party	Nature of relationship
Pawas Port Limited	Associate company
Finolex Plasson Industries Private Limited	
Finolex Cables Limited holding 32.39 % in the Company	Enterprise wherein the Company is an associate
Finprop Advisory Services Limited	Enterprises over which Key Management
Mukul Madhav Foundation	Personnel or their relatives exercise
Magnum Machine Technologies Limited	significant influence
Mrs. Ritu P. Chhabria	Relative of director
(Spouse of Mr. Prakash P. Chhabria)	

ii) Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Prakash P. Chhabria - Executive Chairman	Key Management Personnel
Mr. Anil V. Whabi- Director Finance & CFO	
Mr. Sanjay S. Math - Managing Director	

Notes to the Consolidated Financial Statements

37. Related party transactions (contd..)

B. Transactions with related parties

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
I. Sales, services and other income		
Sale of goods		
Finolex Plasson Industries Private Limited	3,390.48	3,783.08
Reimbursement received of expenditure incurred		
Finolex Infrastructure Private Limited	7.05	7.02
Finolex Plasson Industries Private Limited	-	1.72
Dividend received		
Finolex Cables Limited	665.61	554.68
Finolex Plasson Industries Private Limited	92.70	115.88
II. Purchase of material / assets		
Purchase of raw material and components		
Finolex Plasson Industries Private Limited	-	1.05
Magnum Machine Technologies Limited	-	4.38
III. Expenses		
Services received		
Finolex Plasson Industries Private Limited	-	2.32
Mrs. Ritu P. Chhabria (Director sitting fees)	2.40	2.80
Mrs. Ritu P. Chhabria (Commission)	11.25	15.00
Dividend paid		
Finolex Cables Limited	4,622.15	4,019.26
Contribution towards corporate social responsibility		
Mukul Madhav Foundation	799.42	58.87
Amounts outstanding		
Due to		
Finolex Cables Limited	-	0.04
Finolex Plasson Industries Private Limited	3.74	-
Due from		
Finolex Plasson Industries Private Limited	-	75.64
Finolex Cables Limited	-	21.91

Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to

Notes to the Consolidated Financial Statements

37. Related Party Transactions (contd..)

amounts owed by related parties (March 31, 2017: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: ₹Nil)

Transactions with key management personnel

Compensation of key management personnel of the Company

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Short-term employee benefits	468.35	510.96
Mr. Prakash P. Chhabria	245.01	248.82
Mr. Saurabh S. Dhanorkar	-	78.37
Mr. Sanjay S. Math	114.24	97.23
Mr. Anil V. Whabi	109.10	86.54
Commission	860.00	1,200.00
Mr. Prakash P. Chhabria	680.00	900.00
Mr. Saurabh S. Dhanorkar	-	100.00
Mr. Sanjay S. Math	120.00	160.00
Mr. Anil V. Whabi	60.00	40.00
Post employment benefits	6.90	8.17
Mr. Prakash P. Chhabria	4.31	3.89
Mr. Saurabh S. Dhanorkar	-	1.94
Mr. Sanjay S. Math	1.47	1.33
Mr. Anil V. Whabi	1.12	1.01
Other long term benefits	45.52	45.97
Mr. Prakash P. Chhabria	29.60	21.25
Mr. Saurabh S. Dhanorkar	-	13.85
Mr. Sanjay S. Math	9.53	7.09
Mr. Anil V. Whabi	6.39	3.78
Total	1,380.77	1,765.10

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

38. Commitments and contingencies

38.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹3,791.92 Lakhs as at March 31, 2018, (₹5,887.24 Lakhs as at March 31, 2017).

Notes to the Consolidated Financial Statements

38. Commitments and contingencies

38.2 Contingent liabilities

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debt		
a) Liabilities in respect of income tax matters for which the Company has succeeded in appeal but Income Tax Department has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	10.17	10.17
b) Liabilities in respect of income tax matters for which the Company has gone in further appeal and exclusive of the effect of similar matters in respect of pending assessments	603.31	584.43
c) Excise/Customs/Service Tax in respect of which either show cause notice is received or the Company/Department is in appeal	6,198.25	4,617.97
d) Sales Tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	326.55	326.55
e) Amounts claimed by banks in respect of derivative transactions which are under dispute not acknowledged as debt (USD 20,821,480 as at March 31, 2018; USD 20,821,480 as at March 31, 2017).		
In view of counter claims of the Company against the banks, the facts and circumstances of the case and uncertainty of period for which the litigations will continue, a reliable estimate of the liability, if any, cannot be made. It is unlikely that there will be a material liability on the Company on this account in the near future. Therefore, in view of what is stated above no provision is required to be made out of the current year's profit. The Company has been legally advised in respect of this issue confirming the aforesaid.	13,502.42	13,502.42
f) Consumer Protection matters in respect of which customers have gone for recovery on account of faulty delivery of goods.	138.89	138.89

Notes to the Consolidated Financial Statements

39. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments	-	76.10	147,271.15	147,347.25	147,347.25
Current investments	-	6,559.18	-	6,559.18	6,559.18
Trade and other receivables	4,313.93	-	-	4,313.93	4,313.93
Loans	25.96	-	-	25.96	25.96
Cash and short-term deposits	2,342.66	-	-	2,342.66	2,342.66
Other financial assets	6,396.04	-	-	6,396.04	6,396.04
Total	13,078.59	6,635.28	147,271.15	166,985.02	166,985.02
Financial liabilities					
Borrowings	10,070.78	-	-	10,070.78	10,070.78
Trade and other payables	25,047.41	-	-	25,047.41	25,047.41
Other financial liabilities	7,024.52	-	-	7,024.52	7,024.52
Total	42,142.71	-	-	42,142.71	42,142.71

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Non-current investments	-	40.20	114,622.66	114,662.86	114,662.86
Current investments	-	5,655.79	-	5,655.79	5,655.79
Trade and other receivables	5,249.29	-	-	5,249.29	5,249.29
Loans	21.38	-	-	21.38	21.38
Cash and short-term deposits	1,634.44	-	-	1,634.44	1,634.44
Other financial assets	5,757.39	-	-	5,757.39	5,757.39
Total	12,662.50	5,695.99	114,622.66	132,981.15	132,981.15
Financial liabilities					
Borrowings	9,418.47	-	-	9,418.47	9,418.47
Trade and other payables	22,747.86	-	-	22,747.86	22,747.86
Other financial liabilities	5,550.84	-	-	5,550.84	5,550.84
Total	37,717.17	-	-	37,717.17	37,717.17

Notes to the Consolidated Financial Statements

39. Fair values (contd..)

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Non-current investments

The fair value of investments in quoted equity shares is based on the respective quoted price in the active markets as at the measurement date.

The fair value of investments in unquoted equity shares has been estimated using the net asset method. The valuation requires to consider the cost of replacement of an asset as an indication of the fair market value of that asset.

Current investments

The Company's current investments consist of investment in units of mutual funds. The fair value of investments in mutual funds is derived from the NAV of the respective units in the active market at the measurement date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2018, and March 31, 2017 are as shown below:

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/ (increase) the fair value.

Notes to the Consolidated Financial Statements

39. Fair values (contd..)

As at March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
			(weighted average)	
Non-current investments				
Investment in equity shares of :				
Finolex Infrastructure Limited	Net asset method	Recknor rate	890-1160	Increase/ (decrease) in the rate would decrease/ (increase) the fair value.

The lack of marketability represents discount on the amount that the Company has determined that market participants would take into account when pricing the investments.

Reconciliation of fair value measurements of non-current investments in unquoted equity shares classified as FVOCI

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Finolex Infrastructure Limited	Peninsula Realty Fund
As at April 1, 2016	1,290.92	445.83
Re-measurements recognised in OCI	(433.25)	-
Re-measurements recognised in Profit and Loss	-	(63.85)
Sales	4.91	(101.43)
As at April 1, 2017	862.58	280.55
Re-measurements recognised in Profit and Loss	-	(161.31)
Classified as non-current asset held for sale	-	119.24
As at March 31, 2018	862.58	-

40. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial instruments measured at fair value after initial recognition:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2018	147,271.15	147,271.15	-	-
Gulf Oil Corporation Limited	March 31, 2018	24.81	24.81	-	-
Gulf Oil Lubricants India Limited	March 31, 2018	45.06	45.06	-	-

Notes to the Consolidated Financial Statements

40. Fair value hierarchy (contd..)

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Gold Crest Corporation Limited	March 31, 2018	6.23	6.23	-	-
Finolex Infrastructure Limited	March 31, 2018	862.58	-	-	862.58
Current investments:					
Investments in units of mutual funds	March 31, 2018	6,559.20	-	6,559.20	-
Non-current assets held for sale:					
Investment in units of Peninsula Realty Fund	March 31, 2018	119.24	-	119.24	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current investments:					
Investment in equity shares of :					
Finolex Cables Limited	March 31, 2017	114,622.66	114,622.66	-	-
Gulf Oil Corporation Limited	March 31, 2017	35.94	35.94	-	-
Gulf Oil Lubricants India Limited	March 31, 2017	-	-	-	-
Gold Crest Corporation Limited	March 31, 2017	4.26	4.26	-	-
Finolex Infrastructure Limited	March 31, 2017	862.58	-	-	862.58
Investment in units of Peninsula Realty Fund	March 31, 2017	280.55	-	280.55	-
Current investments:					
Investments in units of mutual funds	March 31, 2017	5,655.79	-	5,655.79	-

41. Financial risk management objective and policies

The Company's principal financial liabilities comprise short-term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables and cash and cash equivalents that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies appetite. It is the Company's policy that no trading in derivatives for speculative purposes may be

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include borrowings, trade payables and investments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are all constant as at March 31, 2018 and March 31, 2017. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has short-term borrowings with fixed interest rates and hence the future cashflows of relevant financial instrument are not affected by changes in market interest rate.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities on account of import of raw materials.

PVC pricing is on import parity and import parity value of sales of the Company approximately equates the USD payables on a six monthly rolling basis due to which a natural hedge exists and hence the Company does not generally need to resort to hedging by way of forward contracts, options etc.

(All amounts in Lakhs unless otherwise stated)

Nature of exposure	Currency	As at March 31, 2018	As at March 31, 2017
Borrowings (Secured)	USD	79.90	145.23
Borrowings (Unsecured)	USD	73.03	-
Trade payables	USD	213.48	271.94
	EUR	-	0.86

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

Commodity price risk

The Company is affected by the volatility of certain commodities. Its operating activities involve the ongoing purchase of Vinyl Chloride Monomer ('VCM'), Ethylene and Ethylene Dichloride ('EDC'), all being petrochemical products, and manufacturing of PVC and pipes and fittings and therefore require a continuous supply of these materials. Prices of PVC manufactured by the Company are monitored by Company's management and are adjusted to respond to change in import parity price of PVC in Indian market. Market price of input and output, generally get adjusted over a period of time. Accordingly, the Company is exposed to the variation in commodity prices over short-term period.

Commodity price sensitivity

The following table shows the effect of price changes for VCM, Ethylene and EDC after the impact of hedge accounting:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Change in year-end price	Effect on profit before tax
March 31, 2018		
VCM		
	+5%	(2,987.10)
	-5%	2,987.10
Ethylene		
	+5%	(1,244.54)
	-5%	1,244.54
EDC		
	+5%	(1,209.67)
	-5%	1,209.67
March 31, 2017		
VCM		
	+5%	(2,862.63)
	-5%	2,862.63
Ethylene		
	+5%	(1,374.12)
	-5%	1,374.12
EDC		
	+5%	(1,005.77)
	-5%	1,005.77

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Company are strategic in nature. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹862.68 Lakhs. A decrease of 10% in the fair value will have an impact of approximately ₹86.26 Lakhs on OCI and ₹0.01 on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the securities would also impact OCI, profit and loss and equity.

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

At the reporting date, the exposure to listed equity securities at fair value was ₹1,47,347.25 Lakhs. A decrease of 10% on the NSE market index could have an impact of approximately ₹14,727.12 Lakhs on OCI and ₹7.61 Lakhs on Profit and loss or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI, profit and loss and equity.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company evaluates credit risk with respect to trade receivables as significantly low, as its payment terms are mostly advance basis.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's risk management committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Notes 9-12.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by Senior management. Management monitors the Company's net liquidity position on a monthly and quarterly basis through its Senior management meeting and board meetings. They use rolling forecasts on the basis of expected cash flows.

The Senior management ensures that the future cash flow needs are met through cash flow from the operating activities and short-term borrowings from banks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2018

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Trade and security deposits	-	-	-	32.39	32.39
Short-term borrowings	-	10,070.78	-	-	10,070.78
Trade payables	124.44	24,922.98	-	-	25,047.41
Payable to employees	-	1,969.83	-	-	1,969.83

Notes to the Consolidated Financial Statements

41. Financial risk management objective and policies (contd..)

As at March 31, 2017

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	On demand	< 3 months	3-12 months	1-5 years	Total
Trade and security deposits	-	-	-	34.90	34.90
Short-term borrowings	-	9,418.47	-	-	9,418.47
Trade payables	101.56	22,646.30	-	-	22,747.86
Payable to employees	-	2,292.50	-	-	2,292.50

42. Capital management

Capital includes equity shares and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep low a gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash deposits, current investments.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Borrowings	10,070.78	9,418.47
Current investment	(6,559.18)	(5,655.79)
Cash and cash equivalent	(681.73)	(550.77)
Net debt	2,829.87	3,211.91
Share capital	12,409.54	12,409.54
Other equity	267,103.28	219,067.46
Capital and net debt	282,342.69	234,688.91
Gearing ratio	1.00%	1.37%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018 and March 31, 2017.

43. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Principal amount outstanding as on year end	59.67	38.99
Principal amount outstanding and overdue out of above	5.92	-
Interest due on above	0.01	-

Notes to the Consolidated Financial Statements

43. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest paid	-	-
Payment made beyond appointment date during the year	262.03	245.52
Interest due and payable for overdue payments made during the year	1.42	0.90
Total Interest accrued and remaining unpaid	1.43	0.90
Amount of further interest remaining due and payable in succeeding years	2.33	0.90

44. Donation to political party

(All amounts in ₹ Lakhs unless otherwise stated)

Name of the party to which such amount has been contributed	March 31, 2018	March 31, 2017
Bharatiya Janata Party	-	25.00
Total	-	25.00

45. Investment in an associate

The Company has a 46.35% interest in Finolex Plasson Industries Private Limited (FPIPL).

The associate company has its registered office and principal place of business at Urse, near Pune in India.

The company is engaged in manufacturing of micro irrigation systems, fittings, accessories and range of irrigation components.

Finolex Industries Limited has not consolidated Pawas Port Limited in which it holds 49.99% (₹ 5 lakhs) as it has not started its operations yet and does not have any material impact to the consolidated financial statements.

Summarised financial information of the above mentioned associate company (FPIPL) is as below:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Cash & cash equivalents	183.70	76.60
Current assets	20,426.73	16,092.30
Non-current assets	6,064.89	5,862.20
Current liabilities	13,599.00	10,284.30
Non-current liabilities	343.10	493.60
Net assets	12,733.22	11,253.20
Proportion of Company's Ownership	46.35%	46.35%
Proportion of Company's Ownership in net assets	5,901.85	5,215.86

Notes to the Consolidated Financial Statements

45. Investment in an associate (contd..)

Reconciliation to carrying amounts:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Opening net assets	11,253.20	10,201.30
Profit after tax for the year	1,719.30	1,340.30
Other comprehensive income for the year	1.42	12.50
Dividends paid	(240.70)	(300.90)
Closing net assets	12,733.22	11,253.20
Proportion of Group's Ownership	46.35%	46.35%
Proportion of Group's Ownership in net assets	5,901.85	5,215.86
Add: Consolidation adjustments	(0.31)	(324.46)
Carrying amount of investment in associate	5,901.54	4,891.40

Contingent liabilities of associate:

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
a) Share in claims against the associate company not acknowledged as debts - matters subjudiced		
i) Share of sales tax matters in respect of which either show cause notice is received or the Company/Department is in appeal	19.26	349.52
ii) Share of service tax in respect of which either show cause notice is received or the Company/Department is in appeal	0.78	-
iii) Share in other matters	33.33	17.95
b) Guarantees issued by the bank on Company's behalf	589.58	639.37
Total	642.95	1,006.84

46. Goods and Service Tax

With effect from July 1, 2017 Goods and Service Tax comprising of four acts (i.e. Central Goods and Service Tax Act, State Goods and Service Tax Act, Integrated Goods and Service Tax Act, Union Territory Goods and Service Tax Act) was introduced in India. Accordingly certain indirect taxes like Excise, Service Tax, Sales Tax were subsumed under GST Acts.

47. Previous year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

The Company does not have subsidiary company, hence this part is not applicable.

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in Lakhs

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit/ / Loss for the year	
			No.	Amount of Investment in Associates/Joint Venture	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation (only holding % considered) (-ve indicate loss)
		1	2			3	4	5	6	
1	Finolex Plasson Industries Private Limited	31.3.2018	4635000	463.50	46.35	Voting power	N.A.	5,901.51	1,634.53	Nil

Names of associates or joint ventures which are yet to commence operations: Pawas Port Limited

For and on behalf of the Board of Directors

Sanjay S. Math

Managing Director

Pune: May 23, 2018

Notice

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting of the Members of Finolex Industries Limited (the "Company") will be held on Saturday, 29th September, 2018, at 11.00 a.m. at Kirloskar Institute of Advanced Management Studies, Gat No. 356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune- 410506 to transact the following business:

Ordinary Business

1. To consider and adopt standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Auditors and the Board of Directors.
2. To declare dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Sanjay S. Math (DIN 01874086) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider, and, if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory amendments, modification(s) or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the members at the 36th Annual General Meeting held on 11th August, 2017, the Company hereby ratifies the appointment of M/s. P.G.Bhagwat, Chartered Accountants, Pune

(Firm Registration No.101118VV), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2022, on such remuneration plus applicable taxes and reimbursement of actual out of pocket expenses as may be mutually agreed between the Board of Directors (the "Board") of the Company and the Auditors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

Special Business

5. To consider, and, if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments, modification(s) or re-enactment thereof for the time being in force, and subject to guidelines and approvals as may be required from the Central Government) a remuneration of ₹ 4,00,000/- (Rupees four lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses to be paid to M/s. S.R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) the Cost Auditors appointed by the Board of Directors (the "Board") of the Company to conduct the audit of the cost records of the Company for the

financial year ending 31st March, 2019, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

6. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Saurabh S. Dhanorkar (DIN-00011322), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act, and the Articles of Association of the Company, with effect from 11th August, 2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things and give such directions as may be considered

necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (which will be effective from 1st April, 2019) issued vide SEBI Notification dated 9th May, 2018, (including any statutory amendments or modification(s) or re-enactment thereof for the time being in force) and subject to such other applicable laws, rules, regulations etc. as may be applicable in this regard, consent of the members be and is hereby accorded to continue the appointment of Mr. Dara N. Damania (DIN 00403834) as Non-Executive Independent Director of the Company, beyond the age of 75 years from the period beginning from April 1, 2019 until September 19, 2019 as per the existing terms of his appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things and give such directions as may be considered necessary, relevant, usual, customary and/or expedient to give effect to this resolution."

By Order of the Board of Directors
For **Finolex Industries Limited**

Devang B. Trivedi
General Manager (Legal)
and Company Secretary

Pune Membership No. ACS 13339
20th August, 2018

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form is enclosed herewith.

THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E. BY 11.00 A.M. ON 27TH SEPTEMBER, 2018.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than ten (10) percent of the total paid-up share capital of the Company.

2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special businesses is annexed hereto.
3. The Company has appointed Karvy Computershare Private Limited, Hyderabad as its Registrar and Share Transfer Agent (RTA) and accordingly, the In-house Share Registry operations of the Company carried out at the Investor Relations Centre have been shifted to the RTA w.e.f. 3rd August, 2018.
4. At the thirty sixth Annual General Meeting of the Company held on Friday 11th August 2017, the Members approved appointment of M/s. P.G.Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W) as statutory auditors of the Company, to hold office for a term of five (5)

consecutive years till the conclusion of 41st Annual General Meeting of the Company, subject to ratification of their appointment by Members at every Annual General Meeting. Further, pursuant to the notification of certain sections of the Companies (Amendment) Act, 2017, with effect from May 7, 2018, the requirement of annual ratification of the Statutory Auditors by the members is no longer required. However, as a matter of abundant precaution, the ratification by the members is being sought this year at Item No. 4 of the Notice.

5. **Book Closure & Dividend:**

The register of members and the share transfer books of the Company will remain closed from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March 2018.

Dividend, if declared at the Meeting, will be credited / dispatched on/after 8th October, 2018 to those members whose names appear on the register of members (holding shares in physical form) after giving effect to all the valid share transfers lodged with the Company/RTA, on/before the close of business hours on Friday, 21st September, 2018 of the Company or on the register of beneficial owners maintained by the depositories as at the close of their business hours on 21st September, 2018.

6. **E-voting** (Voting through electronic means):

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and

Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the 37th Annual General Meeting (AGM) of the Company. Necessary arrangements have been made by the Company with Karvy Computershare Pvt. Ltd. ('Karvy'), to facilitate e-voting. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper. The Company has appointed Mr. S.V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries, Pune as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

E-voting is optional and e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Friday, 21st September, 2018. The e-voting period commences on Wednesday, 26th September, 2018 (9.00 a.m.) and ends on Friday, 28th September, 2018 (5.00 p.m.). The voting module shall be disabled by Karvy for voting thereafter.

The instructions and process for e-voting are as under:

A) In case a Member receives an email from Karvy [for Members whose email

IDs are registered with the Company/ Depository Participant(s)]

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e. User ID and Password) as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report. Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Finolex Industries Limited.

- vii) On the voting page, enter the number of shares (which represents the number of votes) as on 21st September, 2018 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutinizer at e-mail ID:deulkarcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO". The documents should reach the Scrutinizer on/before Friday, 28th September, 2018 at 5.00 p.m.
- B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:
- (a) User ID and initial Password in a separate e-voting communication, will be sent along with the Notice of AGM and Annual Report.
- (b) Please follow all steps from Sr. No. i) to xii) as mentioned in (A) above, to cast your vote.
- C) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM.
- D) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Karvy's Tel. No. at 1800 345 4001 (toll free).
- E) The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than two (2) days of conclusion of the AGM.
- F) The Results declared along with the Consolidated Scrutinizer's Report shall be

placed on the Company's website (www.finolexpipes.com) and on the website of Karvy. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.

- G) A copy of this notice has been placed on the websites of the Company and Karvy.
7. The details of Mr. Sanjay S.Math (DIN 01874086) who is proposed to be re-appointed as director liable to retire by rotation and Mr. Saurabh S.Dhanorkar (DIN 00011322) proposed to be appointed as director as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given separately in the notice.

The details of Mr. Dara N. Damania, with respect to proposal to continue his existing term as an Independent Director as per SEBI circular dated 9th May, 2018, are given in Explanatory Statement to the notice.

8. Members whose shareholding is in the dematerialized form are requested to direct the change of address notifications and updation of bank/mandate/ECS details to their respective depository participants. Members holding shares in physical form may please send such details to
Karvy Computershare Pvt. Ltd.
(Unit: Finolex Industries Limited)
Karvy Selenium Tower B, Plot No. 31 & 32,
Gachibowli Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032, India
Phone No.: 040-67162222
Extn Nos. 1583 & 1562
Fax No.: 040-23420814, 23001153
Toll Free: 1800 3454 4001

Email ID: einward.ris@karvy.com
Website: www.karvycomputershare.com
Contact Person: Mr. Mohd Mohsin Uddin
- Senior Manager

9. Since the scrip of the Company is compulsorily traded in demat form, Members holding shares in the physical form are requested to consider dematerializing the same.
10. Members who have not appointed nominees are requested to do so. The prescribed form for appointment of nominee / change in nominee are available on the Company's website at link <http://www.finolexpipes.com/wp-content/uploads/2015/07/Nomination-Form.pdf>
11. Members desirous of obtaining any information concerning the accounts and operations of the Company for the financial year ended on 31st March, 2018 are requested to address their questions to the Company Secretary at the registered office of the Company so as to reach on or before 18th September, 2018. This will ensure the requested information may be made available.
12. While lodging requests for share transfer/transmission of shares, please ensure that copies of PAN card(s) of all transferors and transferees/legal heirs are enclosed. In the absence of PAN card copies, the Company/RTA cannot give effect to the requests for transfer/transmission/name deletion etc. All existing shareholders holding shares in physical form are requested to send a copy of their PAN card to the company's RTA.

13. **Unclaimed Dividend:** Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, as amended, the dividend remaining unclaimed / unpaid for the period of seven years from the date of transfer to “Unclaimed Dividend Account” shall be credited to the Investor Education and Protection Fund set up by the Central Government. Members are also requested to furnish Bank Account No., name of Bank, Branch, IFSC Code and place with PIN Code No. where the account is maintained to prevent fraudulent encashment of dividend warrants.
14. Members are requested to bring their copies of the annual reports and the attendance slips duly completed for attending the AGM. Members holding shares in demat form are requested to bring their Client ID and Depository Participant (DP) ID numbers for easy identification for attendance at the Meeting.
15. **E-mail Address:** Pursuant to the provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company can send the annual report by electronic mail (e-mail address) to the Members as per the records of the Company or as provided by depositories. As such, Members holding shares in physical form are advised to forward their e-mail addresses to the Company or its RTA for registration at the e-mail: einward.ris@karvy.com. Members holding shares in dematerialized form are requested to register / update their e-mail addresses with the concerned depository participants to enable the Company to send the soft copy of the annual report by e-mail. It is also clarified that in case any member desires to get a hard copy of the annual report, the same would be sent to the Member free of cost. Members are further advised to mention their e-mail addresses and land-line and mobile nos. in all correspondence for quick communication.
16. All documents including Register of Proxy as referred to in the notice and explanatory statement annexed thereto will be available for inspection at the Company's registered office during 10.00 a.m. to 3.00 p.m. on all working days except Saturday, Sunday and Public holidays up to the date of AGM.
17. A route map giving directions to the venue of the Meeting is given at the end of this Notice.
18. The Securities and Exchange Board of India (SEBI) has issued circulars for the shareholders holding shares in physical form with respect to compulsory –
 - a) Updation of PAN and Bank account details; and
 - b) Dematerialisation of securities for effecting transfer.Accordingly, a separate communication to the shareholders holding shares in physical form, is being made at the end of this Annual Report for necessary actions.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5

M/s. S.R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) have been appointed as the Cost Auditors of the Company for the financial year 2018-19 by the Board of Directors at its meeting held on 23rd May, 2018. It is proposed to pay ₹ 4,00,000/- (Rupees four lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses as the remuneration to the Cost Auditors for the financial year 2018-19.

M/s. S.R.Bhargave & Co, have furnished a certificate dated 2nd April, 2018 regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have concluded the audit of the cost records of the Company for the financial year 2017-18 under the provisions of the Act.

In terms of provisions of Section 148(3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the members of the Company.

Your directors recommends the resolution for your approval.

None of the directors or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set out at item no. 5 of the accompanying Notice.

Item No. 6

Mr. Saurabh S.Dhanorkar was appointed as an Additional Director of the Company by the Board at its meeting held on 11th August,

2017. In terms of the provisions of Section 161 of the Companies Act, 2013 he holds office upto the date of the thirty-seventh Annual General Meeting of the Company. A Notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member of the Company signifying his intention to propose appointment of Mr. Saurabh S.Dhanorkar as a candidate for the office of director. Mr. Saurabh S.Dhanorkar has given his consent, to act as director of the Company, if appointed.

The Additional information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Mr. Saurabh S.Dhanorkar is given at the end of the this notice.

Your directors recommends the resolution for your approval.

None of the directors except Mr. Saurabh S.Dhanorkar being an appointee or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set out at item no. 6 of the accompanying Notice. Mr. Saurabh S.Dhanorkar is not related to any other Directors of the Company.

Item No. 7

The Members of the Company at the 33rd Annual General Meeting (AGM) held on 20th September, 2014 inter alia appointed Mr. Dara N. Damania as an Independent Director of the Company for a period of five consecutive years with effect from the said AGM.

As per the recommendations of the Kotak Committee on Corporate Governance, the Securities and Exchange Board of India

(SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). According to the new provisions, effective from April 1, 2019, a person who has attained the age of seventy five years can continue directorship in a listed company as a non-executive independent director only after obtaining the approval of its shareholders by way of a special resolution. Since Mr. Dara N. Damania, has already attained age as seventy five years, his directorship can continue from April 1, 2019 subject to the approval of the Members of the Company by way of a special resolution on or before March 31, 2019.

Mr. Dara N. Damania, 81, is associated with the Company since 29th July, 2011. He has done Mechanical Engineering from College of Engineering, Pune. He joined ThyssenKrupp Industries India Pvt. Ltd. (a Group Company of ThyssenKrupp Ag. Germany) as a Trainee Engineer in 1957 and retired as its Vice Chairman on 1st June, 2018. He was instrumental in transforming ThyssenKrupp India to a multi-product company from a single product company.

Mr. Damania is also a director of Sanghvi Movers Limited, KSB Pumps Limited, Sudarshan Chemical Industries Limited and Rieco Industries Limited.

In order to gain benefits from the varied experience and continuous guidance of Mr. Dara N. Damania, your Board recommends his directorship, to be continued up to the expiry of his present term as an Independent Director i.e. 19th September, 2019 by passing a special resolution as set out in Item No. 7 of this Notice.

Mr. Damania holds 900 shares in the Company.

Your Directors recommend the resolution for approval of the members.

None of the directors except Mr. Dara N. Damania or key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution. Mr. Dara N. Damania is not related to any other director of the Company.

By Order of the Board of Directors
For **Finolex Industries Limited**

Devang B. Trivedi
General Manager (Legal)
and Company Secretary

Pune Membership No. ACS 13339
20th August, 2018

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Mr. Sanjay S. Math

(a) A brief resume of the director

Mr. Sanjay S. Math, 62, is the Managing Director of the Company since 1st December, 2016. His current term as Managing Director is up to 30th November, 2021. Mr. Math is B.E. (Chemicals), UDCT and Post Graduate Diploma in Management, Mumbai. He is a member of American Institute of Chemical Engineering. He has to his credit 42 years of rich working experience in various projects and petrochemical plant operations. He has worked in reputed organizations including NOCIL, Bombay Dyeing, Rama Petrochemicals, Saudi Yanbu Petrochemicals, Essar Refinery etc. Mr. Math has earlier worked with the Company at Ratnagiri from December, 2004 to July, 2008 as Director (Manufacturing). He was Whole-time Director designated as Director (Operations) of the Company for the period from 4th February, 2012 to 30th November, 2016.

(b) Nature of his expertise in specific functional areas

Expertise in Chemical and Petrochemical field and general business administration.

(c) Disclosure of relationships between directors inter-se

None of the directors are related to Mr. Sanjay S. Math.

(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mr. Sanjay S. Math is a member of the Corporate Social Responsibility Committee, Risk Management Committee, Finance Committee and Share Transfer Committee of the Company. Mr. Math does not hold any directorship or committee membership in any other listed company.

(e) Shareholding in the Company

Mr. Sanjay S. Math holds 3,000 equity shares of the Company.



Mr. Saurabh S. Dhanorkar

(a) A brief resume of the director

Mr. Saurabh S.Dhanorkar, 62, is a graduate from Sydenham College, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India. He is having vast experience of about 38 years in the fields of the finance, marketing and general management.

After a brief stint with an international accounting firm, Mr. Dhanorkar joined Finolex Industries Limited in 1983 in the Finance Department. After working as Head of Finance for 5 years, he took over as Marketing Head for PVC Resin Division when the Company went into backward integration with a project for manufacturing of PVC Resin. In 1996, he was appointed on the Board of Directors of the company as Wholetime Director designated as Director (Commercial). He was designated as an Assistant Managing Director (AMD) & Chief Operating Officer (COO) with effect from 1st December, 2006. He worked as Managing Director of the Company from 11th August, 2012 till his retirement on 30th November, 2016.

He worked as a member of the core management team of the Company and has witnessed a transition from a small PVC Pipe manufacturer in Pune to a multi-location Petrochemical and Plastics processing Company.

He has widely travelled and has presented papers in various national and international conferences.

(b) Nature of his expertise in specific functional areas

Expertise in the field of finance, marketing and general management.

(c) Disclosure of relationships between directors inter-se

None of the directors are related to Mr. Saurabh S.Dhanorkar.

(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board of directors

Mr. Saurabh S.Dhanorkar is a member of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Share Transfer Committee and Finance Committee of the Company. Mr. Dhanorkar does not hold any directorship or committee membership of in any other listed company.

(e) Shareholding in the Company

Mr. Saurabh S.Dhanorkar holds 5,381 equity shares of the Company.

FINOLEX INDUSTRIES LIMITED

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L40108PN1981PLC024153

Name of the Company: **FINOLEX INDUSTRIES LIMITED**

Registered office: Gat No.399, Urse, Taluka Maval, District Pune 410506. Tel No.02114-237251
Fax No.02114-237252.

Email: investors@finolexind.com

Website: www.finolexpipes.com

Name of the member(s) :	
Registered address:	
E-mail Id:	
Folio No./DPID & Client Id:	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1	Name :
	Address:
	E-mail address:
	or failing him
2	Name :
	Address:
	E-mail address:
	or failing him
3	Name :
	Address:
	E-mail address:

as my / our proxy to attend and vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company, to be held on the Saturday, 29th September, 2018 at 11.00 a.m. at Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry Maval, Village Dhamane, Taluka Maval, District Pune 410 506

and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary business	
1	To consider and adopt standalone and consolidated audited financial statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Auditors and the Board of Directors.
2	To declare dividend on equity shares for the financial year ended 31st March, 2018.
3	To appoint a Director in place of Mr. Sanjay S. Math (DIN 01874086), who retires by rotation and, being eligible, offers himself for re-appointment.
4	To ratify the appointment of M/s. P. G. Bhagwat, Chartered Accountants, Pune (Firm Registration No.101118W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2022, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.
Special business	
5	To ratify a consolidated remuneration of ₹ 4,00,000/- (Rupees Four Lakh Only) to be paid to M/s. S. R. Bhargave & Co., Cost Accountants, Pune, (Firm Registration No. 000218) the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31st March, 2019.
6	To give approval for appointment of Mr. Saurabh S. Dhanorkar (DIN-00011322) as Director of the Company, liable to retire by rotation.
7	To give approval to continue the appointment of Mr. Dara N. Damania (DIN: 00403834) as an Independent Director.

Signed this _____ day of _____ 2018

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, explanatory statement and notes please refer notice of 37th Annual General Meeting.

FINOLEX INDUSTRIES LIMITED

Registered Office : Gat No.399, Urse, Taluka Maval,

District Pune 410 506, Maharashtra, India

CIN :L40108PN1981PLC024153

Tel No.02114-237251, Fax No.02114-237252

E-mail: investors@finolexind.com Website: www.finolexpipes.com

37th Annual General Meeting – 29th September, 2018

ATTENDANCE SLIP

(To be handed over at the entrance of the venue of the meeting)

Folio No.

--	--	--	--	--	--	--	--

DP ID No. & Client Id No.

--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--

Member's Name

(In block letter)

No of shares held

--	--	--	--	--	--	--	--

Proxy's Name

(In block letter)

--

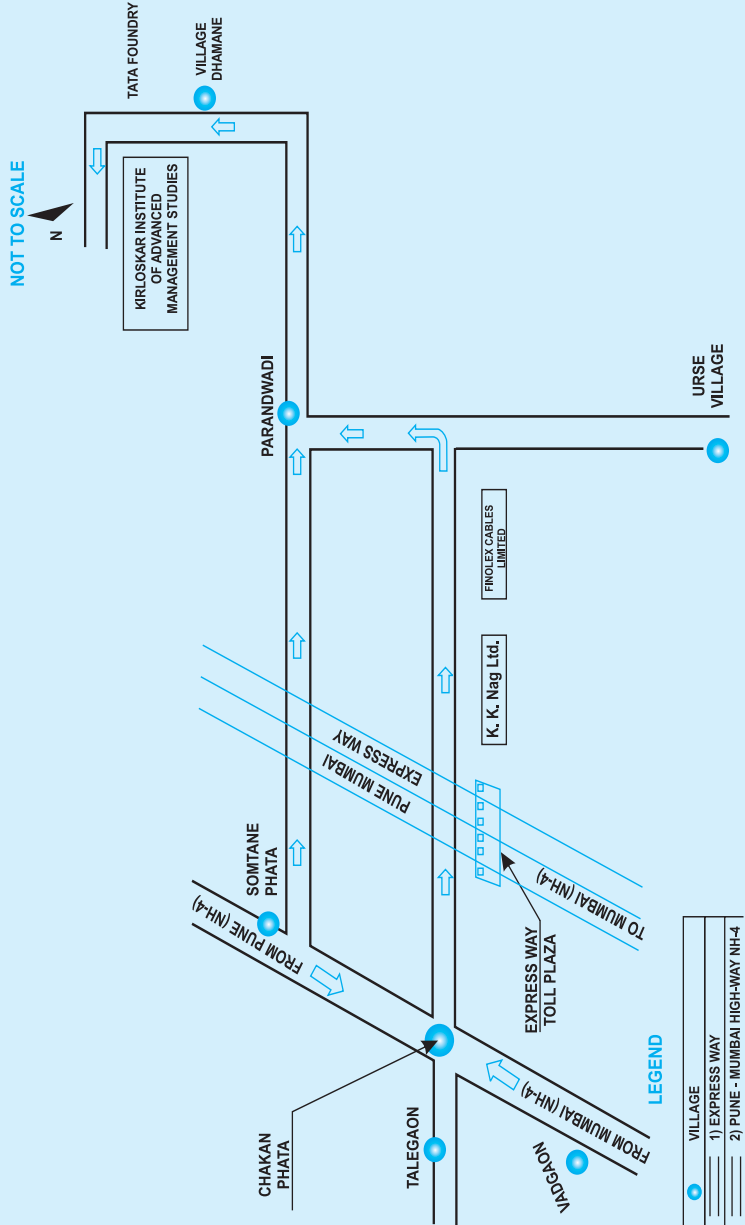
I hereby record my presence at the 37th Annual General Meeting held at Kirloskar Institute of Advanced Management Studies, Gat No.356 & 357, Near Tata Foundry, Maval Village Dhamane, Taluka Maval, District Pune 410 506 on Saturday, 29th September, 2018 at 11.00 a.m.

Member's / Proxy's Signature

Notes:

1. Interested joint members may obtain attendance slips from the Registered Office of the Company.
2. Members/joint members/proxies are requested to bring the attendance slips with them. Duplicate slips will not be issued at the entrance of the meeting hall.

Road Map for Kirloskar Institute of Advance Management Studies



FINOLEX INDUSTRIES LIMITED

CIN – L40108PN1981PLC024153

Registered Office: Gat No.399, Urse, Taluka Maval, District Pune 410 506.

Tel.02114-237251, Fax No.02114-237252

E-mail: investors@finolexind.com

website: www.finolexpipes.com

Communication for the shareholders of the Company holding shares in PHYSICAL FORM

Date: 20th August, 2018

Sub: 1. Mandatory updation of PAN and Bank details against your physical share holding

2. No physical transfer of securities

Dear Shareholder(s),

1. Mandatory updation of PAN and Bank details against your physical share holding:

The Securities and Exchange Board of India (SEBI) has by its circular SEBI/HO/ MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 mandated that the companies or their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and bank account details for the security of the holders holding securities in physical form.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration /updation.

You are therefore requested to submit the following to update the records immediately on receipt of the letter to enable us to update the records. Please send the said documents to the

Company or to Karvy Computershare Pvt. Ltd, Registrar and Share Transfer Agent of the Company at the address given hereunder.

Action required from you:

1. A self-attested copy of PAN Card of all shareholders;
2. A copy of the unsigned cancelled cheque leaf bearing the name of the shareholder(s) or attested bank passbook showing the name of the account holder; and
3. Self-attested copy of any one documents such as Adhar Card/ Passport/Bank Pass Book/ Bank Statement/ Utility Bill in support to verify and to confirm the address of the shareholder(s).

Please note that the Company has already communicated to the shareholders (holding shares in physical form) about the above requirements vide its letter dated 2nd July, 2018 through Registered Post. This communication is being made as a REMINDER to the said letter.

You may kindly ignore this communication in case you have already responded to the above said letter and furnished to the Company requisite documents.

2. No physical transfer of securities

SEBI vide Securities and Exchange Board of India (Listing Obligations And Disclosure Requirement) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 states that, "Provided that, except in case of transmission and transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."

In compliance to the said amendment, the Company or its Registrar and

Share Transfer Agent will not process any request for transfer of shares held in physical form **with effect from 4th December, 2018** and it shall be mandatory to dematerialize the securities for getting the shares transferred. Shareholder/s are advised to note the above and take all necessary step to avoid any inconvenience in future with respect to transfer of securities.

Addresses for sending documents requested above and in case, if you have any queries or need any assistance in this regard please contact:

Karvy Computershare Pvt.Ltd.
Unit: Finolex Industries Limited
Karvy Selenium, Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda,
Hyderabad-500032
Phone No.: 040-67162222
Extn Nos. 1583 & 1562
Toll Free No. 1800-3454-001
E-mail: einward.ris@karvy.com

Finolex Industries Limited
Attention: Secretarial Department
D 1/10 MIDC, Chinchwad,
Pune 411019
Tel No. 020-27408571
E-mail: investors@finolexind.com

Thanking you,

Yours faithfully,

For **Finolex Industries Limited**

Sd/-

Devang B. Trivedi

General Manager (Legal) and Company Secretary

Notes

Notes

FinOlex
PIPES



FLOWGUARD PLUS
PIPE & FITTINGS



**Agriculture, Plumbing & Sanitation
Pipes and Fittings**

finolexpipes.com | 1800 200 3466



Finolex Industries Limited

D-1/10, MIDC, Chinchwad, Pune - 411 019, Maharashtra, India. Tel.: +91-20-2740 8200

E-mail: investors@finolexind.com | Website: www.finolexpipes.com



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